THE CHINA WEEKLY REVIEW

密勒氏評論報

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August 23, 1941

The Atlantic Meeting and a Summary Of World-Wide Reactions

Pacific Crisis Intensified

AN EDITORIAL

The 8-Point Peace Program

The Bleak Outlook for Trade

BY JOHN AHLERS

Chungking Under the Aerial Menace

By Walter Briggs

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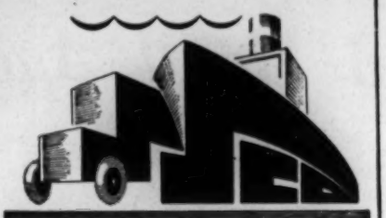

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What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

PUPPET RIFTS

To the Editor:

Since his return here from Japan, Wang Ching-wei, noted Chinese Quisling, has brought with him a loan of Yen 300,000,000 from his Nipponese boss, which he seems to have shown every one as if he were flattering himself as being able to please his master. How much he has actually got is a puzzle even to himself. In this connection, I have already revealed its inside story in my previous letter.

Well, after receiving some favor from his boss, Wang has to do what his Japanese advisers order him to perform. In other words, he together with his henchmen has to serve better his master. Viewing the editorial comments of local Japanese press which occasionally discussed this matter, Wang has been "ordered" to consolidate his administration over Japanese-occupied areas on behalf of the Japanese Army:

1. To conscript able-bodied youths to form the so-called "Peace and National Salvation Army" and then launch the "rural pacification campaign" by which they are expecting to wipe out the Chinese guerillas from those areas. Just imagine that even Japanese troops are unable to mop up all the Chinese guerilla fighters, the number of whom is daily growing; how can they expect the puppet troops to do the same job?

2. To "unify" the Nanking regime and do his utmost to cut down expenses because of lack of funds. This "readjustment" has led to internal dissension among the puppets themselves. The **Kuo Min Hsin Wen**, mouthpiece of Li Shih-chun (notorious chief of Wang's Gestapo), recently published an editorial, opposing the amalgamation of the Social Affairs Ministry with the Ministry of Pacification and also attacking Chow Fu-hai's inability to handle finance matters. Just a few days later, a fire broke out in the premises of **Central China Daily News**, Wang's paper. This incident was evidently connected with internal conflict among the puppets; because first, the "readjustment" of the structure of the Nanking regime would deprive the "Gestapo" men of their power; secondly, the "Gestapo" men who are known to be extraordinarily powerful and used to squandering, would not be willing to ask the head of the Ministry of Pacification for money.

Because of this, they are growling to show dissatisfaction. Meanwhile, trying to divert the attention of the public from their ugly internal controversies, they are blaming the Chungking Government for the burning of the **Central China Daily News** premises. As a matter of fact, they should have blamed their own men for that. Just imagine, how could Chungking men sneak into Wang's place which was so heavily guarded and place explosives there?

The conflict among the puppets is now showing its first signs and it is going to become worse in the nearest future. I think that Japan must have been greatly disappointed over Wang's "accomplishment." The war of resistance under the guidance of Generalissimo Chiang Kai-shek is still continuing and the solution of the "China Incident" is still far from sight. Anxiety and uneasiness of Japan and of her "running dogs", headed by Wang Ching-wei and Chow Fu-hai, are indeed beyond description. As the day of reckoning is drawing near, history and justice will give them a worthy lesson which will enable them to realize that aggressors and traitors are bound to fail and perish.

HARRY YOUNG.

Shanghai, Aug. 12, 1941

PIECEMEAL SANCTIONS

To the Editor:

The recent parallel economic moves launched by the U.S.A., the British Empire and N.E.I. against Japan for the latter's ominous occupation of the southern portion of French Indo-China has produced exultation among people who have democracy at heart and consequently hate aggression wherever it is found. On second thoughts, however, one can't help cooling down somewhat, for it reveals that the situation is by no means so simple as appears at the first sight.

From perusal of the measures taken by U.S.A. which provided many loopholes for continuing financial intercourse with Japan and Japanese-occupied China, it is very clear that Washington, who took the lead in this move, has not yet definitely made up its mind to a final liquidation of the ever-recurring crisis in the Pacific. Although we would not like to call it a continuation of the appeasement policy, certainly it is no part of the intention of the three countries engaged in the retaliatory action to press Japan vigorously without regard to whether it would precipitate war or not. And we may reasonably assume that they still hope against hope that Japan will be contented with what she has grabbed and will stop her aggression against the neighboring areas farther south.

It is true that the embargo on certain additional kinds of oil was announced by Washington less than a week after the freezing of Japanese assets and this is presumably intended as further warning to Japan against encroachment into Thailand. So there is no rigorous, total economic warfare yet, but merely a piecemeal pressure passively applied with the vain hope that the first criminal of the present aggression wave against mankind may be scared and halted.

Such brotherly love is truly admirable, but we doubt greatly its efficacy in controlling the insatiable ambitions

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of the feudal-minded Japanese militarists.

It seems that the statesmen of the two mighty democracies on the two sides of the Atlantic have never realized adequately Japan's fundamental aim and her time-honored methods for attaining it. Many of them would or could not believe that Japan has world conquest in mind, just as they didn't believe so in the case of Hitler until he proved himself vividly by actions. Of course Japan can't openly proclaim more than the so-called "East Asia Co-prosperity Sphere" at present. But this audacious doctrine is already terrible enough, if we remember that it has no definite demarcation and may be extended in any direction when the favorable occasion arises. Soon after the Nazi-Soviet war broke out, a certain section of the Japanese press discussed seriously the question of taking the Urals and Iran as two points of the dividing line between Japan's New Order and Hitler's. Who, then, can imagine what would be included in the New Order in future, if Japan ever has the chance to expand it?

Col. Frank Knox, secretary of the Navy of U.S.A. recently said: "There will be action", if Japanese proceed according to present plans which they have in mind. But what action? And when? Half-way economic action won't do.

M. C. L.

Shanghai, Aug. 9, 1941

LONG VOYAGE HOME

To the Editor:

I was glad to see that Don Chisholm reprinted your editorial on the banning of Eugene O'Neil's excellent picture, "The Long Voyage Home," in his "Shopping News." The editorial hit the nail on the head and more. Mr. Chisholm added some information regarding the names of those who are responsible for the banning of many of our best pictures, and the butchering of some which are permitted to be shown in emasculated form. For the benefit of readers of **The Review** I am adding the paragraph, which appeared in "Shopping News."

"Serving on the Film Board of Censors are Mr. W. J. Hawkings, (British) of Marden's .... Sen. L. de Luca (Italian) .... Keung Sing-wa (Chinese) H. & S. Bank .... T. K. Li, (Chinese) .. Mr. G. Miyazake (Japanese) .... Mr. H. G. Nelson (American) Herr Dr. Probst (German) of Siemens China. However these censors are more 'face pigeon' for the Council than anything else, for the actual censors of our local film-fare are a small group of critical police officials who comprise the Special Police Film Board. It is this small group of provincials, biased, prejudiced, quite possibly narrow-minded who continue to dictate to Shanghai's intellectual international community what it shall and shall not see in the way of film entertainment."

INTELLIGENT

Shanghai, Aug. 17, 1941

BOUQUET

To the Editor:

Your paper contains so much of interest that one does not get in any other publication that I know of, and you write so cogently and pungently on matters of moment, that I find I cannot get along without it. Accordingly, I have much pleasure in requesting you to renew my subscription for another year.

INTERESTED

Shanghai, Aug. 13, 1941

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August 20, 1941

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Amer. Waterworks	4⅝
Anaconda Copper	28½
Bethlehem Steel	69⅜
Chrysler	58
Elec. Bond & Sh.	2¼
Gen. Motors	38⅞
Goodyear T. & R.	19⅝
Gt. Nthrn. Rly., pfd.	26
Lockheed Aircraft	27⅝
Mont. Ward	34⅛
N. Y. Central	12¾
Texas Corp	41⅞
U. S. Steel	57

COMMODITIES

New York Cotton, Oct.	16.56/56
New York Rubber, Sept.	No quotation
New York Hides, Dec.	14.45B/49A
Chicago Wheat, Sept.	113¼/113⅛
Chicago Corn, Sept	77⅝/77⅞
New York Sugar, No. 4, Sept.	1.86½

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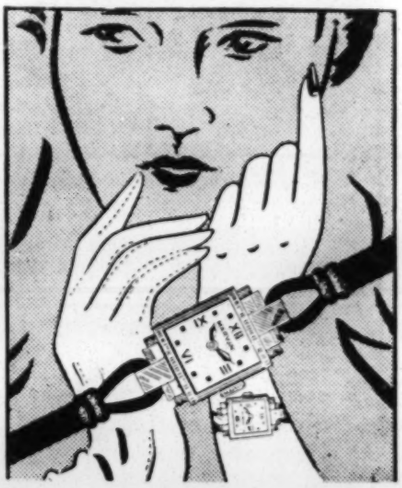

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Demand Buying rate on N.Y. U.S.$1.	=Sh.$20.00	=Sh.$20.25	=Sh.$18.38	=Sh.$20.00	=Sh.$20.25	=Sh.$20.25
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Shanghai $100. equals Rupees	15⅞	15⅞	no rate	no rate	no rate	17½
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Shanghai $100. equals Hongkong $	19¼	19	no rate	no rate	no rate	21

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THE EIGHT POINTS

NO one believes for a moment that the eight-point program of war and peace aims which appears in the adjoining column was the principal accomplishment of the dramatic conferences between President Roosevelt and Prime Minister Churchill which took place on the Atlantic between August 4 and 16. It was necessary to give the public some tangible token of accomplishment, and since concrete decisions on questions of general war strategy obviously could not be disclosed, the "Eight Points" is what the public got.

The discussions, as subsequent reports from various quarters have shown, ranged over an extremely wide field. They took in the problem of supplying American munitions of war and other materials to the British Empire and Soviet Russia in the light of long-term war perspectives in Europe, and also the growingly acute crisis in the Far East. The President, when he stepped ashore from the Potomac at Rockland, Maine, admitted that his talks with Mr. Churchill had covered all the continents.

The nature of the decisions arrived at will emerge to view as concrete steps are taken by the American and British governments to implement them. In the meantime it is worth while to consider some of the implications of the "Eight Points" which thus far have served to overshadow the undoubted fact that policies of tremendous importance to the British and American peoples were decided upon.

Commentators have not been slow to notice the general resemblance between the "Eight Points" of Roosevelt-Churchill and the Fourteen Points put forward by the late President Woodrow Wilson in World War I, and the thought has been expressed that the "Eight Points" will prove as illusory as President Wilson's.

Neither Britain nor the United States, says Point 1, seek territorial or other aggrandizement. Instead they are aiming to insure the establishment of a harmonious world in which all nations, great and small, victor and vanquished, shall have equal access to markets and raw materials. Neither Britain nor France fought for new territory in World War I. Yet Britain acquired more than a million square miles of additional territory as a result of the Versailles Treaty. France also added something to her Empire.

The universal enjoyment of access to markets and raw materials is subject to an important proviso which nullifies this seemingly generous principle. Such access will be allowed only with "due respect" for the "existing obligations" of the British Empire and the United States. The word "interests" would have been more appropriate than "obligations." After the victorious powers have

ROOSEVELT-CHURCHILL DECLARATION

Following is the text of the Declaration issued by President Franklin D. Roosevelt and Prime Minister Winston Churchill following meetings of the two statesmen aboard British and American warships "somewhare in the Atlantic" last week (see story on page 364). In announcing the text of the Declaration in London on Aug. 14, Deputy Prime Minister Clement R. Attlee described it as "setting out the objectives for which the Allies are fighting and indicating the fundamental principles on which plans for a permanent world peace in the future must be based."

"The President of the United States and the Prime Minister, Mr. Churchill, representing His Majesty's Government in the United Kingdom, being met together, deem it right to make known certain common principles in the national policies of their respective countries, on which they base their hopes for a better future for the world.

1. **Their countries seek no aggrandizement, territorial or other.**
2. **They desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned.**
3. **They respect the right of all peoples to choose the form of government under which they will live, and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them.**
4. **They will endeavor, with due respect for their existing obligations, to further the enjoyment by all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity.**
5. **They desire to bring about the fullest collaboration of all nations in the economic field, with the object of securing for all improved labor standards, economic advancement and social security.**
6. **After the final destruction of Nazi tyranny they hope to see established a peace which will afford to all nations a means of dwelling in safety within their own boundaries and which will afford an assurance that all men in all lands may live out their lives in freedom from fear and want.**
7. **Such a peace should enable all men to traverse the high seas and oceans without hindrance.**
8. **They believe that all nations of the world, for realistic as well as spiritual reasons, must come to the abandonment of the use of force. Since no future peace can be maintained if land, sea or air armaments continue to be employed by nations which threaten or may threaten aggression outside of their frontiers, they believe, pending establishment of a wider and permanent system of general security, that disarmament of such nations is essential. They will likewise aid and encourage all other practicable measures which will lighten for peace-loving peoples the crushing burden of armament."**

satisfied their own needs the other fellows will have their chance.

The declaration envisages the disarmament of the aggressors, i.e., of the vanquished. Germany was disarmed after the last war. In seeing that this was done, the victors at Versailles, though they did not know it then, prepared the way for German rearmament and the creation of the mightiest military machine in all history.

The victors were able to keep Germany disarmed only so long as they themselves remained in a firm *entente*. In the postwar era the world positions of both Britain and France declined in favor of the United States. Britain, irked by French pretensions on the Continent, strove for an agreement with Germany almost from the moment Hitler came to power. The rupture of the Anglo-French entente furnished the political prerequisite for Germany's military resurrection. The material prerequisite—in the shape of highly-advanced productive forces and an unrivalled industrial technique—was already present. When Germany began to rearm, she was unencumbered by obsolete war equipment: all that had been taken over or destroyed by the victorious Allies. The Third Reich began from scratch, that is, with a tremendous advantage over all its rivals, actual or potential.

If we suppose that Germany will be defeated and disarmed—Japan likewise—the victorious powers will be Great Britain and the United States, with the former playing decidedly second fiddle to the latter. In a world of commercial rivalry is there any reason to believe that these two countries will remain eternal friends? Any more than France and Britain did? And when a break occurs, defeated Germany—and Japan—will commence to rise again. Unless—

Unless in the peace that is imposed on the vanquished there is provision for the surrender or complete destruction not only of their existing armaments, but also of the main substance of their industrial fabric. Their heavy and chemical industries must be placed under strict control or destroyed. Their shipbuilding and aviation industries must be treated likewise. Some of the main branches of science—those which serve industrial technique—must die. The implications of such a program of strangulation and retardation are enormous. It can be accomplished only at the price of reducing the German —and Japanese—people to utter beggary, for nations in the modern world cannot revert to a primitive agrarianism and survive. Yet without such a turning back of the clock of progress there can be no assurance against a German military revival. It is the lesson of history that a defeated nation always works for revenge.

It is noteworthy that the Eighth Point of the Roosevelt-Churchill declaration provides for the disarmament of the vanquished but not of the victors. This is quite a contrast with the provisions of the Versailles Treaty, wherein the victorious Allies provided for the disarming of Germany but also promised to disarm themselves. The promise was never carried out. Is it possible that the two statesmen who met on the Atlantic envisaged a future conflict between the British Empire and the United States as a feature of the post-war settlement? For if Germany and Japan are disarmed, only relatively small police forces would be necessary to keep them disarmed—not full-fledged war machines.

Point 3 of the declaration expresses "respect for the right of all peoples to choose the form of government under which they will live, and the wish to see sovereign rights and self-Government restored to those who have been forcibly deprived of them." This is a principle with which no liberty-loving individual could quarrel. But why cannot the principle be put into practice now —say, in India? The 350,000,000 people of India are forcibly deprived of their sovereign rights and, far from having chosen the form of government under which they are presently obliged to live, are vigorously opposed to it. The British are in India by right of conquest? The Japanese are in Manchuria and China and French Indo-China, not to speak of Korea and Formosa, by exactly the same right. And the Germans are in Scandinavia, the Low Countries, France, eastern Europe and the Balkans with similar justification, if justification it can be called.

What's sauce for the goose is sauce for the gander. If the principle of self-determination is good at all, it is good for universal application. The enslavement of hundreds of millions of people in British colonies and possessions squares ill with a declaration of respect for the principle of self-government. It is this which has made many Americans extremely skeptical of the genuineness of British war aims. It is this which constitutes one of the most powerful weapons in the arsenal of the Nazi propagandists.

PACIFIC CRISIS NOW RAPIDLY COMING TO A HEAD

THE crisis in relations between Japan on the one hand, and the United States and Great Britain on the other, has visibly worsened during the past ten days, and appears to have received considerable nourishment as a result or the Roosevelt-Churchill meeting on the Altantic at which there loomed very prominently the question of Anglo-American aid to Soviet Russia in the war with Germany.

Japan is finding it more and more difficult to square her pledge of neutrality to Moscow with her obligations to Germany under the Tripartite Alliance. If Anglo-American aid is received by the Soviets through the port of Vladivostok—and already this week an American tanker loaded with aviation gasoline left San Pedro bound for that port—Japan will doubtless be pressed by her Axis allies to take steps to halt the flow. Such action would be incompatible with her pledge of neutrality to Moscow and would hold every prospect of embroiling her simultaneously in war with Soviet Russia, the United States and the British Empire.

President Roosevelt and Mr. Cordell Hull, U.S. Secretary of State, conferred on Aug. 17 for two and a half hours, much of their conversation revolving around the Far Eastern situation, according to a *United Press* report from Washington. On the following day, Mr. Joseph C. Grew, American Ambassador at Tokyo, conferred for more than two hours with Japan's Foreign Minister, Admiral Teijiro Toyoda. It is clear that something of serious import is in the wind and that the peak of the present crisis is about to be reached. The issue of peace or war in the Pacific is now hanging by a slender thread which it would take very little to snap.

This was clearly stated by Ludwell Denny, Washington columnist for the Scripps-Howard newspaper chain, who wrote on Aug. 16 that the danger of a Japanese-American war was expected to reach a new high within two weeks because of German advances in the Ukraine and the arrival of American aid for the Soviets at Vladivostok. The view seems to be that Japan, taking advantage of present German successes against the Russians, must move against Soviet Siberia before American aid to the Soviets becomes effective.

Japan's concern over present trends was voiced on Aug. 19 by the *Japan Times & Advertiser*, organ of the Tokyo Foreign Office. The paper charged the United States and Great Britain with plotting to destroy friendly relations between Japan and Soviet Russia. "When Japan and Soviet Russia are endeavoring to consolidate their peaceful relations," the paper wrote, "any intervention by third Powers. . . . cannot be viewed otherwise than hostile." The reference to "intervention" obviously

can refer, in general, only to the increasing collaboration of the Soviets with Britain and the United States, and in particular to the receipt of American aid by the Soviets —especially via Vladivostok.

The same paper took occasion this week to comment on a magazine article by Captain Hideo Hiraide, a spokesman of the Japanese Navy, who maintained that Japan and the United States are already at war from the economic standpoint and that Britain and the United States have pressed forward to a point where another step will mean driving Japan "to a decision of life or death." The paper warned against foreign underestimation of Japan's fighting strength and declared that "if foreigners had a correct idea of Japan's real power, they could never think of challenging her."

Following the Roosevelt-Churchill meeting, a London report stated that as a result of the meeting the United States was expected to become "the chief guardian of the Pacific." Questioned about this at his press conference on Aug. 16 Mr. Cordell Hull declined to offer any comment. It cannot be doubted that the London report is generally correct and that the role of the United States in this part of the world is rapidly growing in importance. It will advance still more if current reports of the imminent creation of an Anglo-Soviet front against Germany in Iran turn out to be true.

The serious danger of a war in the Pacific is given emphasis by the continuing Japanese troop movements in Manchukuo, the restrictions on the movements of foreigners in that territory, and by the new tone of hostility toward Soviet Russia in the Japanese press. Japan is busy working up a "case" against the Soviets and combining it with her fulminations against the "encirclement policy" of the Anglo-Saxon powers.

A Chinese military spokesman in Chungking stated on Aug. 14 that four mechanized Japanese detachments, each with 150 tanks, had been sent to Manchukuo. This was in addition to the 100,000 infantry reinforcements sent into the country earlier to reinforce the Manchukuo garrison to a strength of 350,000. At the same time, apparently in order to prevent news of troop movements from becoming known abroad, the Manchukuo authorities have barred all movements of foreigners in their territory. It was announced last week that no foreigners would be permitted to leave or enter the country after Aug. 18. The ostensible reason ?—because transportation "may become difficult after that date."

The Tokyo *Nichi-Nichi* issued a blunt warning on Aug. 17 that it is of "vital importance to the Soviet Union to repel overtures" from the United States and Britain which would bring the Soviets into the Anglo-American encirclement program against Japan. And the *Hochi* declared that "if Japanese-Soviet relations worsen, the Kremlin alone must bear the burden of responsibility." Japan could not remain indifferent to reports that the Soviets had agreed to pool their war resources with those of Britain and the United States, the paper added, for while admitting Soviet war difficulties, Moscow was aware that Japanese efforts to settle the China hostilities were being held up by Anglo-American obstruction.

All the Tokyo newspapers on Aug. 18 commented on the "increasing collaboration" among the United States, Britain and the Soviet Union, *Domei* reported, and urged the Japanese Government to be "particularly watchful of an Anglo-American attempt to make Vladivostok another Singapore for the purpose of completing the encirclement of Japan."

General Sadao Araki, former fire-eating Japanese war minister, gave an interview to the *Hochi* on Aug. 17 in which he recalled the Japanese occupation of Siberia in 1918 and hinted that "history might repeat itself." At that time, he said, "we failed to strike the final blow in this affair . . . . In the Siberian affair I see the precocious germination of our continental policy. It is unfortunate that our domestic situation at that time prevented Japan from gathering enough courage and determination for an audacious policy. We aimed straight, but we failed to give the *coup de grace*. We did not know how to adopt a clear policy, because we were afraid of provoking the United States." He referred to the Anti-Communist Government of Eastern Siberia which had been set up by the Cossack bandit, Ataman Semeonoff, and which had Japanese backing, in order to blame the Japanese government then in power for having "stopped midway in its task."

Road Blocked—Japanese View

Japanese Army organ, Tairiku Shimpo, published at Shanghai, depicts Uncle Sam, Britain and Gen. Chiang Kai-shek as blocking the road and thereby preventing Thailand from making a deal with Japan and joining the Axis.

In other words, General Araki regrets that Japan, using Semeonoff as a puppet, did not add Eastern Siberia to the Japanese Empire after the last world war. He believes there is a possibility of doing it now. General Araki, out of office, can speak his thoughts out loud. The militarists in office must be more circumspect, but there is no doubt that many of them share General Araki's views on this subject.

"Listening-Posts" For Portland and Los Angeles

The U.S. Senate Appropriations Committee on August 14 approved an appropriation of U.S.$209,000 for the purpose of financing the construction of "listening-posts" at Portland, Oregon and Los Angeles, and the creation of a so-called "foreign propaganda analyst service." The listening-posts will be staffed with foreign language, particularly Chinese and Japanese, experts, who will be able to translate broadcasts from all points of the Far East. In addition to the Government service, the National Broadcasting Company announced that it was opening its own listening-post at Los Angeles for the purpose of listening to broadcasts from Japan, China and other stations in the Far East, including the Nazi station at Shanghai. The National Broadcasting Company already maintains such a station at Long Island for picking up European broadcasts.

The U.S. Government's foreign propaganda analyst station at Puerto Rico also is to be expanded.

Mayor Fiorella La Guardia of New York, who is head of the Civilian Defense Board, announced the appointment of Russell Davenport, Editor of *Fortune*, as director of the newly-created Foreign Propaganda Bureau of Facts and Figures.

In the discussion of the projects before the Senate Appropriations Committee, it was stated that the State Department would have had several days prior knowledge of Japan's invasion of French Indo-China if the Government had possessed adequate listening-posts on the Pacific Coast. This was regarded as a significant admission that the Washington authorities were caught unawares by the Japanese move until the Japanese forces had actually landed in the French colony.

SHANGHAI FACING BLEAK TRADE OUTLOOK AS AUTUMN NEARS

BY JOHN AHLERS

THE approaching autumn finds Far Eastern economy and finance confronted with problems of terrific magnitude. Will Japan try another land grab at the risk of bringing about open war with the Anglo-Saxon powers? If not, will she continue annoying and threatening the democracies at the risk of further economic and financial retaliation which may culminate in a complete democratic embargo upon all economic and financial intercourse with the whole Nipponese sphere of power? And should nothing of the sort materialize, how is future Far Eastern trade with other parts of the world to work out under freezing and licensing? How about the immensely serious foodstuffs problem? And what about cargo space?

There always have been, and today still are, among big Shanghai business men a few illusionists who expect that in case of a Nippon-American war the Whangpoo city will be permitted to carry on business much as before. These men believe Japanese economic and financial interests in Shanghai are so big as to act as a restraint on the Japanese military. They cite prominent Japanese business men as having stated that Japan definitely is not interested in acquiring "another Chapei, only with buildings." But men cherishing such hopes overlook the point that outbreak of a Pacific war would automatically isolate Shanghai from the Anglo-Saxon sphere of power, and would deprive the Japanese of all those advantages which have kept influential Japanese factions interested in maintaining the city's international business as a going concern.

To think that with Japanese and Anglo-Saxon naval and air forces fighting each other in the Pacific Ocean, Americans and Englishmen would be allowed to stay here and continue doing business right under the noses of the Japanese, is a sheer delusion. Outbreak of war between Japan and the Anglo-Saxons undoubtedly will result in the immediate seizure and liquidation by the Japanese of all enemy property and business within their sphere of power, Shanghai included. Open war will at once terminate all the immediate economic and financial worries of the democracies' citizens within Japan's grip, because they will have nothing and no one to do business with. They will have to keep to themselves—most probably in Japanese concentration camps. There no longer ought to be any doubt about this.

Should open war not break out between Japan and the Anglo-Saxons in the near future, there still remains a fair chance for Western business here and elsewhere within the Japanese sphere to become completely paralyzed. There is but a single field where the democracies may retaliate against Japan without going to open war, and that is the field of economy and finance. In this line, the democracies' possibilities and opportunities have not yet been entirely exhausted, Though anti-Japanese freezing and trade control have been made complete, trade licensing under these only theoretically prohibitive measures continues to allow for the maintenance of a substantial volume of Anglo-Saxon and Netherlands business with the Far Eastern totalitarian area.

Yet the continuation of such trade licensing is not secured by any treaties or other arrangements, nor even by diplomatic assurances. Trade licensing may be terminated any time that the Japanese give further evidence of nefarious intentions. It is thus not impossible that before the state of affairs out here develops into open war, an intermediate stage of complete interruption of all economic and financial dealing with Japan and her dependencies might be reached.

Only if the Japanese commence to behave more reasonably than in the past, will there be a chance for American, British and Netherlands trade licensing under the existing freezing and trade embargo regulations to develop some working system of trade permits allowing a limited volume of trade to continue with the Japanese sphere of power. But even the elaboration of such a system, more or less amounting to perpetuation of present provisional conditions, is bound to prove difficult and to meet with a great many complications. The democracies' and Japan's conceptions of what this system should be are fundamentally different. Clearly the former intend to supply Japan and her conquests only with goods which cannot be used in war and

Some Advice From An Old Hand

BOX HIM, JOE,, BOX HIM! DONT SLUG! DUCK THOSE HAYMAKERS!!
CHINA WEARING THE JAPS OUT BY STRATEGIC RETREAT AND FANCY FOOTWORK
ORR

The Chicago Tribune

which are unlikely to assist Japan in completing her armaments. Just as obviously, the Japanese idea is to secure in exchange for further exports from Japanese-controlled areas only war-essentials. These two diametrically opposed conceptions are bound to clash, and while some compromise might ensue, it also may be that the impossibility of satisfying both may curtail trade to a far greater degree than originally was intended under the new freezing and trade embargo regulations.

Apart from all the governments and business circles concerned, Far Eastern weather conditions during the coming weeks largely will determine what Far Eastern trade is going to be in months to come. Foodstuffs at present form the most important commodity group in inter-Far Eastern trade. The extent to which grain imports will be necessary, and grain exports possible, during the 1941-42 year, will greatly influence the possibilities of trade, and the availability of funds and cargo space in many other lines. Weather conditions at this time of the year decisively determine grain harvest results, and especially the volume of the rice crops, all-important to the economies of Japan, Korea, Central and South China, as well as French Indo-China.

Officially, Japan anticipates a five per cent drop in her rice crop as compared with last year, and a Korean crop of about normal, but it is as yet too early to judge final crop prospects. The recent typhoons have already inflicted upon Japan much additional crop damage not foreseen by the government harvest forecasters. Should Japan plus Korea again be short of some 1,500,000 tons of rice, Tokyo will continue to need grain supplies from the Yangtsze Valley and French Indo-China, while on the other hand any substantial reduction in Japan's import demand for rice will immediately alleviate all over the Far East the Japanese rice pressure. More satisfactory crops in Japan would mean for Japan's victims more and cheaper food, a lightening of the tribute paid to Tokyo in kind, and relief also in the field of shipping.

The provision of sufficient cargo space to carry what promises to be left of Far Eastern foreign trade is another great problem facing this part of the world. Stringency of bottom space to and from the United States increases, but even in the recent past it only occasionally delayed shipments of goods and did not really curtail the volume of these shipments. Shipments here of cotton and coal from India, on the other hand, have for months past been much smaller than they otherwise might have been, and on occasions temporarily ceased altogether.

To a larger extent than ever since the first Great War, Far Eastern maritime carrying trade today depends upon Japanese bottom space whose supply for commercial purposes, however, grows ever more limited the more tonnage the Japanese Navy mobilizes for auxiliary naval purposes. At the present time, about one-third of Japan's whole mercantile marine would seem to be engaged in naval and military supply shipment services in China and French Indo-China waters. The withdrawal of British bottom space from the Far East continues, and American Far Eastern shipping faces an extension only on the southern routes to Singapore and the Netherlands Indies. Early further curtailment of American bottom space on the Shanghai run is more likely than not.

The general outlook certainly is not reassuring. An outbreak of open war between Japan and the Anglo-Saxon powers on economic grounds can perhaps be avoided. The economic and financial problems at issue can all be solved by economic and financial measures, but even the best solutions will remain of no avail should the Tokyo war-mongers definitely obtain the upper hand.

Some Light on the "Mystery of the Returned Factories"

The *China Weekly Review* on Aug. 16 contained an article entitled, "Mystery of the Sixty Returned Factories," which referred to the frequent reports in Japanese newspapers and press services regarding the "return" of factories, which had been seized and operated by the Japanese military authorities since the original Japanese occupation of the Lower Yangtsze district in 1937.

Attention was called to the fact that while the Japanese claimed that some 60 manufacturing enterprises had been returned to their rightful owners, only one plant, a cotton mill at Soochow, had actually been referred to by name. As a result of the publication of the article, *The Review* received a communication from a source close to the Nanking Government, which stated that with one or two possible exceptions not a single factory had been returned to the legal owners as claimed in the Japanese military reports.

The writer, who apparently is familiar with the actual situation, said that Nanking had long been exerting itself to induce Chinese industrialists to "return" to Japanese-occupied territory in order to re-possess their properties. Nanking's object was to obtain the backing of Chinese industrialists for its so-called "reconstruction program," and also for revenue purposes. It appears that Nanking has not been able to derive any revenue from manufacturing enterprises which are being operated by the Japanese Army or its agents, the Special Service Section (SSS).

"So far as is known," stated the communication, "no Chinese industrialist of consequence has 'returned,' either to Nanking or elsewhere in Japanese-occupied territory. Most of the Chinese industrialists have gone to Hongkong or Chungking, one of the latest and most significant departures being that of Pan Tse-chuen, compradore of Jardine, Matheson and Company, who fled from Shanghai following his release from kidnappers, who had held him prisoner for many weeks and allegedly had forced his family and business associates to pay a ransom of more than $1,000,000.

It seems that the Nanking Ministry of Industry and Commerce organized some time ago a special committee to have charge of the registration of factories which had been taken over and operated by the Japanese Army during the hostilities in this area four years ago. The Nanking announcement said that all Chinese factory owners who would register, would have their factories "returned." A time limit was set for the registration, but none of the Chinese industrialists turned up, and Nanking was forced to publish notices telling of frequent postponement of registration dates.

In case there is any truth in the Japanese military reports that 61 out of 130 factories in the Shanghai industrial zone have been returned, it may mean that these factories have been turned over to the Nanking Committee but this does not mean that the owners have been permitted to recover possession of their factories; on the contrary it probably means that officials have succeeded in getting control of these industrial establishments and may be exploiting them in conjunction with the Japanese.

However, it is rather far-fetched to expect anyone to believe that 61 important manufacturing establishments in this area had been returned to anyone. But there is a possibility that some of the silk filatures at Wusih and Hangchow, which were seized by the Japanese and amalgamated into their Central China Silk Monopoly Company, may have been "returned" as none of these plants is now profitable due to the American "freezing" action. One may accept it as a truism that the Japanese military will not relinquish control of any Chinese factory which is showing an operating profit. The writer continued:

"You are right regarding the large sums demanded by the Japanese for the return of many factories. They usually claim that large sums of money were spent for repair work as the factory was damaged during the hostilities and that many new machines were installed. An interesting case in this connection is Nanking's demand for the return of railways in Kiangsu Province. The railways are operated by the army-controlled Central China Railway Company, a subsidiary of the Central China Development Company. Japanese interests allegedly agreed to return these railways to Nanking on the condition of payment of a large sum of money which the Japanese claimed they have spent on repairs

Anglo-Soviet Warning Given Iran as Nazi Armies Reach Black Sea, Take Nikolaiev, Krivoi Rog

While strong German units drove deeper into the Ukraine breadbasket during the week, extending their control over virtually all of that region west of the Dnieper River, Britain and the U.S.S.R. handed Iran a strong note advising the Beherein Government to get rid of their German "tourist" menace.

Nazi columns, pushing steadily forward against crumbling Soviet resistance in the south, have now occupied the strategic Soviet naval base of Nikolaiev and the iron-ore center of Krivoi Rog. Announcement of the evacuation of these cities was made by the Red Army high command on August 17, shortly after German sources had claimed their capture. Odessa, Black Sea port, is still in Russian hands, however, although it is undergoing a terrific bombardment.

Occupation of Nikolaiev by the Germans was accomplished so quickly that the defenders had no chance to carry out their "scorched earth" policy, according to **Transocean.** The German High Command has announced that valuable iron mines with high ore content, aggregating two-thirds of Russia's iron-ore production, were not destroyed at the latter city while six warships and two submarines were captured undamaged at the naval base. Vessels captured are said to include one battleship of 35,000 tons, a cruiser of 10,000 tons, four destroyers and two submarines, all of which were under construction. A floating dock loaded with locomotives was also reported seized.

Capture of the western Ukraine has given Germany control over one of the Soviet Union's most industrialized districts and may consequently have a profound effect upon prolonged Russian resistance. The iron deposits alone which have fallen to the Germans have in the past supplied nearly all southern Russian foundries, as well as providing iron for industries in Leningrad and elsewhere.

The northern front is the only other sector where active fighting is reported. The Nazi drive toward the Baltic has now advanced to Kingisepp, beyond the old Soviet-Estonian border, on the Tallinn-Leningrad railroad, implying a threat against Leningrad. Tallinn still remains in Soviet hands, however, and is being defended.

Substantial financial help has been granted to the Soviet Union by Britain in the form of a £10,000,000 loan. The loan is included in an agreement on the exchange of goods on credit and on clearing between the U.S.S.R. and the British Government and was signed on August 16. Britain will grant to the Soviet Union a credit of £10,000,000 at a rate of three per cent for an average period of five years. When this credit is exhausted the two governments will enter into negotiations for a further amount.

Is It Napoleon?

San Francisco Chronicle

Commercial aid for the U.S.S.R. from the United States is envisaged in the extension of the Soviet-American trade agreement to August 6, 1942. The agreement was ratified in Moscow on August 17.

The theater of war now threatens to extend into Iran following the recent joint Anglo-Soviet demarche made to the Iran Government. Fearful of the "German menace", the Allied nations have asked Iran to "take effective measures to remove" the exceedingly large number of Germans in Persia. It is thought by some observers that this demarche is part of a plan to create a new front where British troops can establish contact with the Nazis, and also to provide a path of retreat for Soviet troops should the Germans prove overwhelmingly successful.

In this latter connection, Mr. William P. Simms, writing for the **Washington Daily News,** reported widespread anxiety in Washington for fear that Stalin will make a separate peace with Germany, as Lenin did in 1918, should the struggle become too difficult. The writer, according to **Domei,** sees the planned Allied conference in Moscow as an attempt on the part of England and America to prevent this.

Mr. Harry Hopkins, recent visitor in London and Moscow, was reported on August 18 to be President Roosevelt's choice for the job of speeding up the transportation of war supplies to Soviet Russia. Military ordnance and other materials will be offered Russia on an immediate delivery basis, it is said. The material will not come under the Lend and Lease Bill, however, as Soviet Russia is able to pay cash.

Resistance and morale in the U.S.S.R. are extremely good, according to a traveler from Riga, Latvia, who recently arrived in Chungking via Moscow. In an interview given to the **United Press,** the traveler, who has been intimately acquainted with Russia for the past 20 years, stated that he had traveled through the country from Riga to Alma Ata by train and found high morale everywhere among all classes. People were said to believe everything told them by the Soviet high command without question.

Chief propaganda story of the week comes from **Tass** news agency and concerns the report that Hitler's brain has been "blitzed" by mental disease. Swiss doctors are said to have stated that Hitler's mental condition is rapidly worsening owing to Nazi failures on the Eastern front. Friends of Der Fuehrer, in consideration of his condition are said to be telling him only good news concerning his latest campaign.

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since 1938 as well as the new rolling stock purchased in Japan. To this condition, the Nanking regime agreed.

"However, the Nanking puppets found it impossible to take over the railways, as the amount allegedly spent for repairing and for purchase of new rolling stock according to the Japanese, is many times more than the total original cost of contruction of the railways, which were built with British capital, much of which has been in default since the Japanese invasion four years ago.

"Reasons offered by Chinese industrialists for not registering with Nanking's special committee are political as well as commercial. They have refused to register with the committee, because it is realized that if they registered they must operate their factories in the future according to the regulations governing "returned factories", which in addition to the payment of large sums of money to the Japanese for repair work as well as for new machines, would mean forfeiting between 40 or 50 per cent of the controlling interest in the factories by the original owners. In one case, the writer was informed, that when a certain Chinese owner found it impossible to pay the expenses for repair work as well as the new machines, he was asked to hand over to the Japanese half of the shares of the factory as payment. As a result, the factory was "returned" to the original owner in name and it has been operated by Japanese put there by the Japanese military authorities as usual. The Chinese owner has no right to direct the affairs of the factory as he has only the title of assistant manager while a Japanese remained as "General Manager."

"Politically, no industrialist wants to register with the committee, because once he registers, he will have to join the so-called Wang Ching-wei "Peace Movement." Any prominent industrialist who went to Nanking to register or to arrange for the "return" of his factory, would never enjoy the freedom of returning to the International Settlement or French Concession. More than one Chinese industrialist has been kidnapped in the foreign-administered areas because they have refused to "cooperate" with Nanking. Only a few industrialists of no great importance may have registered with the Nanking committee and may have had their small factories returned but they will remain all the time as slaves, although they may obtain a small share of the profits of their factories."

Wave of Local Terror Rises as Gunmen Kill Chinese Banker Here

Commencing with the August 15 shooting of Mr. Kennson Gee, local Chinese banker, eight persons were killed and 11 more wounded in a five-day fury of terrorism which struck down both Chungking and Nanking supporters in Shanghai.

Mr. Kennson Gee, manager of the Ho Cheng Bank, was fatally wounded by five terrorists outside the American Club near the Shanghai Municipal Police station on Foochow Road. The well-known financier was shot to death as he was walking across the street to his car. In the gunfight between police and assassins which followed, three other persons, a Chinese constable, one of the gunmen, and a ricsha coolie, were mortally wounded.

Although the motive for the assassination has not yet been definitely ascertained, it is believed to be political, owing to the victim's support of the Chungking regime and an article he wrote in "Finance and Commerce" advocating investment of capital in Free China.

Another S.M.C. Chinese constable and Mr. Van Hung-teh, proprietor of the Dah Woo Dai Theater, 663 Kiukiang Road, were fatally wounded by a lone gunman on August 17. Mr. Van was just entering his theater on Sunday afternoon when the gunman slipped up from behind and fired two shots, one of which found a mark in the theater man's back. The assassin escaped and his victim died two days later in the Lester Chinese Hospital.

A Western Area Special Policeman was fatally shot on Brenan Road near the railroad crossing on August 15 when he insisted on searching two baskets carried by two gunmen. According to *China Press* reports, two Chinese told the officer to move on when he insisted on searching the baskets carried by two other Chinese, and when the policeman did not obey, he was shot and his body thrown into a creek.

The assassination is believed to be linked with the delivery of two hand-grenades hidden in two baskets of fruit to Mr. P. S. Wu, director of the New China Textile Company, at his home at 80 Wan Kien Terrace, Avenue Dubail, on the same day. The grenades were discovered by servants, however, and were handed over to French Police before they could explode.

A Japanese employee of the Toyoda Cotton Mill, Tatsushige Aoki, was shot dead by two terrorists near the corner of Whashing and Pingliang Roads on August 16. The victim was pumping up a bicycle tire when the gunmen appeared and shot him in the chest.

As the gunmen fled, a Japanese sergeant of the Shanghai Municipal Police appeared on the scene and gave chase, capturing one of the men. Although bridges across Soochow Creek were closed and the area cordoned off, the second terrorist escaped. The captured killer is reported to have confessed that he was hired by Chungking terrorist leaders to attack both military and civilian Japanese.

Another anti-Chungking victim of terrorist bullets was Mr. Wang Zeshing, prominent Chinese lawyer, said to be a friend of Mr. Wu Szpao, gangster chief of the Nanking Political Police headquarters at 76 Jessfield Road.

Mr. Wang was shot in the arm by a lone gunman in front of the Carlton Apartments at the corner of Park and Burkill Roads on August 16. The attacker escaped in the confusion following the shooting, while Mr. Wang was taken to the Paulun Hospital.

There was an attack on property of the puppet City Government on Aug. 16 when a powerful explosion took place aboard the Whangpoo ferry boat Kiaochow Maru, just after the vessel had disembarked passengers at a jetty on The Bund near Nanking Road. While no one was injured, the bow was badly damaged and the vessel was sent to the Kiangnan Dock for repairs.

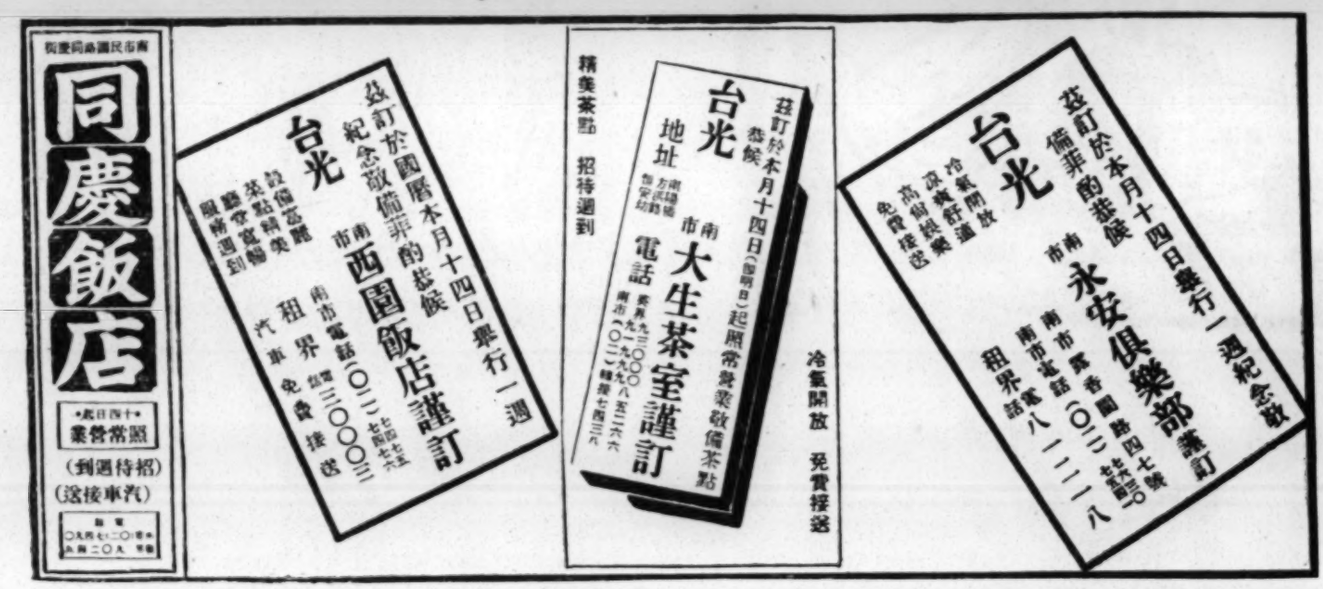
Another anti-Nanking explosion wrecked a Nanking-bound train on August 16. A land mine near Soochow, planted by Chinese guerillas, exploded despite the presence of the so-called "Rural Pacification Troops" and derailed the train, but without injuring any one. Four freight cars are said to be still off the track.

Either an attempt to hold down the accelerating crime wave sweeping across Japanese-controlled areas of the Settlement or preparations to "Tientsin" Shanghai by keeping out food supplies from the interior, is seen in the construction by the Japanese of a new barbed wire barricade around the city.

Commencing at least as early as August 17, Japanese-supervised workmen were seen putting up an additional barbed wire fence along Keswick Road and Soochow Creek to supplement a still efficient old one. Full extent of the entanglement could not be learned and Japanese authori-

Continued on page 373

"Closed" Gambling Dives Continue to Advertise For Customers



Mayor Chen Kung-po of the Chinese Special Municipality and Commissioner C. C. Pan, head of the new Special Western District Police Department, which functions in the "badlands" area on the outskirts of the International Settlement and French Concession, have repeatedly announced that all gambling resorts under their jurisdiction "have been closed." But despite the announcements and occasional "raids" by the police, the wheels of chance continue to spin. The above are four advertisements of gambling joints which appeared in one of the Nanking-sponsored newspapers last week. These particular houses are said to be under the direct jurisdiction of Wang Ching-wei's secret police at No. 76 Jessfield Road, who collect the "taxes" from these joints, said to amount to 50% of the gross income, and remit same to Nanking, where it is split between the Nanking Government and the Japanese Army Headquarters.

PICTURES AND CARTOONS FROM A WORLD IN CONFLICT

Voice of Experience

Duffy in Baltimore Sun.

Japanese Point of View

Cartoon in Japanese Army organ, Tairiku Shimpo, shows Gen. Chiang calling for cooperation with U.S. and Britain in resisting Japan, but the "Black Hole" bombing disaster in Chungking, caused by Japanese air-raid, forces the Chinese people to adopt an anti-war attitude.

Mass Singing Promoter

Time Magazine.

This is Liu Liang-mo, who introduced mass singing in China. Cheerleading at basketball games at the University of Shanghai convinced him that mass singing was a morale builder. In 1935, when he had become a Y.M.C.A. secretary, he formed a chorus of 60 poor Chinese and taught them to sing "Save, Save, Save China." After war had begun, he introduced mass singing among China's soldiers with government approval. At present Mr. Liu is studying at the University of Pennsylvania and Crozer Theological Seminary.

Getting it Straight

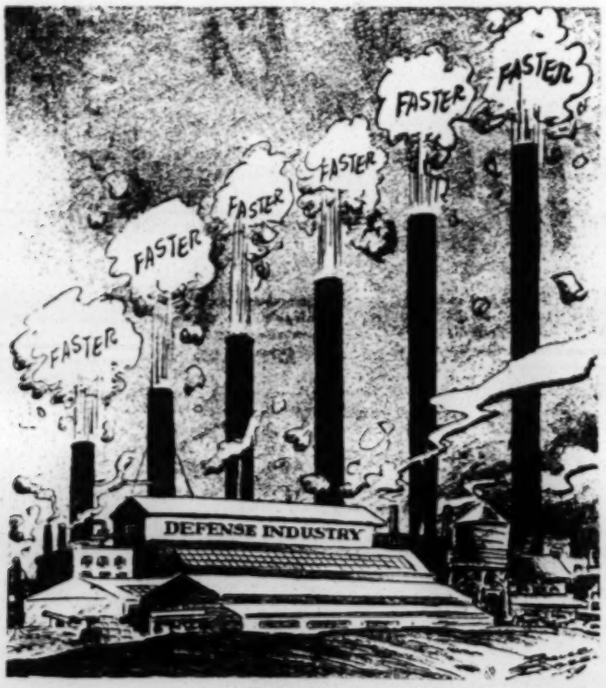
"If I understand you rightly, Sam, this is not a proposition, It is a proposal of marriage for better or worse."
"Correct!"
US
World War No. 2

Batchelor in New York Daily News.

Local Japanese Pictorial Satire

Cartoons from recent issues of the Japanese army organ, Tairiku Shimpo, published in the Hongkew section of Shanghai:— Left, British and American women perform in order to raise money for Churchill, who sits in begging attitude in the rear of Hayim's Garden, the scene being the Moonlight Follies, staged by war relief groups in Shanghai. Center, Roosevelt and Churchill, depicted as gunmen who are nonplussed by Japan's "protection" of Siam, Indo-China and Netherlands Indies. Right, The "V" movement strikes Chungking: Gen. Chiang Kai-shek hands the people the "V" symbol of victory, but the Chinese people, harassed by the Kuomintang-Communist squabble, are skeptical of relief.

The New "All Out" Chorus



Russell in Los Angeles Times.

Who Will Win?

Phoenix (Arizona) Gazette.

"No Profit There"

Wang Ching-wei's personal organ, Central China Daily News, shows Uncle Sam caught in his attempt to extract profits from the war.

Team Work

Prince Konoye and Wang Ching-wei jointly attack America, Britain and Soviet Russia. The cartoon appeared in the Sin Shun Pao, Japanese Army organ, and referred to the recent Wang-Konoye statement issued in Tokyo.

Roosevelt, Churchill Meet at Sea to Consider War Problems; Draft Declaration of War Aims

The mystery of President Roosevelt's two-week absence from Wasington, and of Prime Minister Winston Churchill's absence from London for a similar period, was cleared up on the afternoon of Aug. 14 when Mr. C. R. Attlee, British Deputy Prime Minister, announced that the two statesmen had been meeting "somewhere in the Atlantic" and had drawn up a broad declaration of peace and war aims, besides considering the problem of the supply of munitions to countries engaged in fighting the Nazis and general questions relating to the war situation on a world-wide scale. The text of the joint declaration appears on page 323 of this issue of **The Review.**

President Roosevelt departed from Washington on Aug. 3 on what was popularly supposed to be a vacation cruise aboard the Presidential yacht Potomac, and returned to Washington on Aug. 17. The Potomac docked at Rockland, Maine on the afternoon of Aug. 17 and the President proceeded to the capital by train. He disclosed to newspapermen that his meetings with Mr. Churchill had taken place aboard the 35,000-ton British battleship H.M.S. Prince of Wales and the American 10,000-ton cruiser U.S.S. Augusta, which not long ago was the flagship of the United States Asiatic Fleet.

Military Chiefs Attend

Also present at the conferences were General George C. Marshall, Chief-of-Staff of the U.S. Army; Major-Gen .H. H. Arnold, Chief of the U.S. Army Air corps; Admiral Harold R. Stark, U.S. Chief of Naval Operations; Rear-Admiral Ernest King, Commander-in-Chief of the U.S. Atlantic Fleet; Mr. Sumner Welles, U.S. Under-Secretary of State, Mr. Harry Hopkins, Lease-Lend Coordinater, Mr. William A. Harriman, one of the President's advisers, and the President's personal staff.

The President did not reveal the names of the Britons who attended, apart from Mr. Churchill and Lord Beaverbrook (British Minister of Supply, who proceeded to Washington at the end of the talks), but indicated that they matched in number and rank the U.S. Army, Navy and diplomatic officials present. A **Transocean** report from Washington, however, said that among the Britons present were Admiral Sir Dudley Pound, Britain's First Sea Lord, and General Sir John Dill, Chief of the British Imperial General Staff.

Mr. Attlee, in his statement announcing the historic meeting between the President and Mr. Churchill, said: "The President of the United States and the Prime Minister, Mr. Churchill, representing His Majesty's Government in the United Kingdom, have met at sea. They have been accompanied by officials of their two Governments including high-ranking officers of their military, naval and air forces.

Big Problems Discussed

"The whole problem of supply of munitions of war, as provided by the Lease-Lend Act, for the armed forces of the United States and for those countries actively engaged in resisting aggression, has been further examined. Lord Beaverbrook, the Minister of Supply of the British Government, has joined in these conferences. He is going to proceed to Washington to discuss further details with appropriate officials of the United States. These conferences will also cover the supply problem of the Soviet Union.

"The Prime Minister and the President have had several conferences. They have considered the dangers to world civilization arising from the policy of military domination by conquest upon which the Hitlerite Government of Germany and other governments associated with it have embarked, and have made clear the steps which their countries are respectively taking for their safety in facing these dangers."

The declaration drawn up by the two statesmen, said Mr. Attlee, sets out "the objectives for which the Allies are fighting and indicates the fundamental principles on which plans for a permanant world peace in the future must be based."

That the drafting of the declaration was not the sole or principal business of the Atlantic conferences was indicated by President Roosevelt himself when he disembarked from the Potomac at Rockland. He said that all the Continents had come within the range of the discussions and that Anglo-American understanding was complete regarding all points in the world situation.

Sees Long Struggle

The President also indicated that he would seek a new multi-billion dollar appropriation to supplement the expenditure of $7,000,000,000 already authorized by the Lease and Lend Act, and made special mention of Soviet Russia's requirements in the matter of military supplies. He said that he was making plans on the assumption that the Russians would still be fighting the Nazis next spring. Soviet Russia's needs fell into two categories, he added. The first was for materials immediately available to help during the present summer campaign. The second need, based on the assumption that fighting would be partially halted during winter, included materials for the spring campaign next year.

Perhaps one of the most significant of the President's disclosures was that the Soviet Government had not been asked to endorse the 8-point Anglo-American declaration of war aims and that he knew of no plan to seek such endorsement.

A reporter asked the President whether he thought that the conferences and the 8-point declaration had brought the United States closer to entry into the war. Refusing to permit the press to quote him directly, Mr. Roosevelt replied that he would not say actual American entry into the conflict was closer.

Reports from London by **United Press** asserted that the initiative for the Atlantic meeting came from President Roosevelt and that the meeting was to have been held several months previously, but that postponement became necessary because of Mr. Churchill's preoccupation with the military campaigns in Greece and Crete. According to the same agency, the belief is held in London that the meeting was decided upon at this time because of the growing crisis in the Far East.

Nanking Viewpoint

Cartoon in Wang Ching-wei's Central China Daily News questioned the possibility of the Roosevelt-Churchill meeting. Stalin is shown in the upper altitudes.

3-Power Meeting to Be Held in Moscow

Dictator Joseph Stalin has accepted an Anglo-American proposal for an early meeting in Moscow of representatives of the United States, Great Britain and Soviet Russia in order to arrive at rapid decisions for the apportionment of the resources of the three countries in the continuing fight against Nazi Germany, it was announced on Aug. 16.

The proposal was submitted to the Soviet Dictator by Great Britain and the United States immediately after the dramatic conferences between President Roosevelt and Prime Minister Churchill which took place last week and the week previous aboard British and American warships "somewhere in the Atlantic."

Prepared at sea, the message to the Soviet Dictator which embodied the proposal was officially announced as follows:

Desire to Help

"We have taken the opportunity afforded by consideration of the report by Mr. Harry Hopkins on his return from Moscow to consult together as to how best our two countries can help your country in the splendid defense you are making against the Nazis attack.

"We at the moment are cooperating to provide you with the very maximum of supplies that you most urgently need. Already many shiploads have left our shores and more will leave in the immediate future. We must now turn our minds to consideration of a more long-term policy, since there is still a long, hard path to be traversed before there can be won a complete victory without which our efforts and sacrifices would be wasted.

Where and When

"The war goes on upon many fronts and before it is over there may be further fighting fronts that will be developed. Our resources, though immense, are limited and it must become a question as to where and when those resources can be used best to further to the greatest extent our common

Japanese Organ Cartoons Roosevelt, Churchill, Stalin and Chiang Kai-shek

Upper left—Japanese cartoon suggests Gen. Chiang Kai-shek is "courting" Yunnan (female figure) in order to prevent an independence movement in the southwest. Top Center—Roosevelt courts Thailand with bouquet composed of munitions. Upper right—Nazi bull routs Matadore Stalin. Lower left—Roosevelt and Churchill confer at sea, while Germany and Russia fight over the horizon and Germany observes from a submarine in the foreground.

effort. This applies equally to manufactured war supplies and war materials.

"The needs and demands of your and our armed services can only be determined in the light of full knowledge of many factors which must be taken into consideration in the decisions we make. In order that all of us may be in a position to arrive at speedy decisions as to apportionment of our joint resources, we suggest that we prepare for a meeting to be held in Moscow to which we would send high representatives who could discuss these matters directly with you. If this conference appeals to you we want you to know that pending decisions of that conference we shall continue to send supplies and material as rapidly as possible.

Praise for Reds

"We realize fully how vitally important to the defeat of Hitlerism is the brave, steadfast resistance of the Soviet Union and we feel, therefore, that we must not in any circumstances fail to act quickly and immediately in this matter of planning a program for future allocation of our joint resources."

In a prompt reply to the proposal, Stalin requested the British and American ambassadors at Moscow to convey to Mr. Churchill and President Roosevelt his "cordial gratitude for their readiness to render assistance to the U.S.S.R. in its war of liberation against Hitlerite Germany." Stalin stated that he welcomed the proposal for a conference in Moscow to arrange for the apportionment of raw materials and armaments and was ready to take every measure to insure its early convocation.

Nomonhan Frontier Finally Demarcated

Final demarcation of the Outer Mongolia-Manchukuo border for a distance of 190 miles in the Nomonhan area, scene of bloody Soviet-Japanese clases in the summer of 1939, has been achieved, according to a *Domei* report from Hsinking on Aug. 20.

Erection of markers is stated to have been completed and representatives of Japan, Manchukuo, Soviet Russia and Outer Monogolia will meet in Harbin on Sept. 22 to sign a final frontier agreement.

Qualified observers in Tokyo, *Domei* reported, said the completion of the work of demarcation signifies the removal of one of the most important obstacles formerly standing in the way of a general improvement in Soviet-Japanese relations and was especially significant in view of the general world situation in which Japan is involved.

A mixed border commission met at Chita on May 28, 1941 and reached an agreement on June 17. Actual work of defining the frontier began on June 27.

Quezon, Osmena Nominated For Philippine Elections

President Manuel Quezon and Vice-President Sergio Osmena have been unanimously selected by the Nationalist Party of the Philippines as candidates for re-election at the coming presidential elections. The Party also passed a resolution reiterating its stand on the question of Philippine independence.

British Miners Send £70,000 to Russia

The Miners' Federation of Great Britain has donated from its funds a sum of £70,000 to Soviet Russia to assist that country in its fight against Germany, it was reported from London this week.

In a message to M. Ivan Maisky, the Soviet Ambassador in London, the Federation said it wished to convey to the people of the U.S.S.R. "our profound gratitude and admiration for the struggle waged with supreme valor by your heroic Red Army, Navy and Air Force. Our Federation invites representatives of Russian miners to visit Great Britain. The workers of our two countries must rally still closer in order to bring this titanic struggle to an early and complete victory."

The New York branch of the Congress of Industrial Organizations has adopted a resolution endorsing the Roosevelt-Churchill message to Dictator Stalin, in which a proposal was made for an early conference in Moscow to apportion munitions and other war supplies in such manner as to insure the maximum possible aid to Soviet Russia.

Britain Bans All Exports to Japan

In the tit-for-tat measures which have characterized Anglo-American freezing of Japanese assets and retaliatory action by Japan, a number of new developments occurred in the past week or so.

The British Board of Trade on Aug. 15 announced a complete ban on British exports to Japan, effective as of that date, and applicable also to Karafuto, the Japanese mandated islands, the Kwangtung Leased Territory, Manchuria, Korea and Formosa. All outstanding export licenses for shipments to those territories were revoked. India has followed suit.

The Japanese-dominated government of French Indo-China answered this measure by placing a complete embargo on all exports from the colony to any country except Japan and Japan-controlled territory. The Vichy government, under Axis and Japanese pressure, tightened the ban still further on Aug. 18 by a decree which cancelled all contracts for the sale of French Indo-China rubber, thus cutting off this source of supply for the British Empire and the United States.

Meanwhile, British and American nationals are making every effort to leave the Japanese sphere of power, while Japanese nationals are trying to slip out from under British or American control. Japanese and other aliens have been ordered by the Malaya Government to get out of the Singapore Naval Base zone for a radius of 15 miles, and this is seriously affecting Japanese rubber interests. Japanese have also been ordered out of the neighboring state of Johore. Subjects of Japan are also evacuating Hongkong for Canton, because British "freezing" decrees make it impossible for them to continue in business. In the United States, at least 1,250 Japanese are awaiting passages to their homeland, according to *Domei*.

In Washington, D.C., Representative John D. Dingell, Democrat of Michigan, disclosed on Aug. 17 that he had written to President Roosevelt demanding that 10,000 Japanese subjects in Hawaii be immediately confined in concentration camps. "That would be at the rate of 100 for one for Americans they are holding as hostages," he said. The latter was a reference to the refusal of the Japanese Government to permit the President Coolidge to call at Kobe to evacuate American nationals stranded in Japan. Tokyo has denied that the Americans are being kept in Japan as hostages.

Chiang May Visit Moscow Says London Newspaper

According to the diplomatic correspondent of a London labor newspaper, quoted in a **Reuter** dispatch on Aug. 17, Gen. Chiang Kai-shek is expected to visit Moscow in the near future for a discussion of military problems with Red Army leaders. A Chinese military mission is already in the Soviet capital, the correspondent stated. The correspondent also expressed the view that any Japanese move against Soviet territory in the Far East would immediately be met by a Sino-Soviet pact of mutual assistance, with provision for joint Soviet-Chinese military action against Japanese forces.

Authoritative quarters in Tokyo, according to **Domei**, regard the report of Chiang's forthcoming visit to Moscow as indicating that the Chinese generalissimo is planning "a desperate appeal for more effective Soviet aid." Chungking, they said, is gravely in need of assistance as a result of the intensified Japanese blockade and aerial bombings.

U.S. Doctors For China Rail Job

The United States is arranging to send a sixteen-member medical commission to China to look after health and sanitation conditions of 250,000 coolies who are engaged in building the new railroad from Lashio, Burma, to Suifu, China, parallel with the Burma highway, according to reliable circles in Washington.

Bearing the name "Medical Commission to the Burma-Yunnan Railroad," the medical expedition will be financed by U.S.$1,150,000 from Lend-and-Lease funds. Planning to establish 50 work camps and 15 hospitals, the members of the Commission are expected to leave for China this autumn and stay in China for one year.

Those departing by Clipper in September will be Dr. Marshall Balfour, a member of the Rockefeller Foundation's International Health Division, Dr. R. T. Haas, of the United States Public Health Service, Dr. D. E. Wright of the Rockefeller Foundation, who is a sanitary engineer.

Leaving later will be Dr. T. S. Tomlinson, Jr., of the Public Health Service, Dr. Fred P. Manget, formerly with the Methodist China Mission Board, Dr. Paul Stevenson, formerly with the Rockefeller China Foundation, Dr. Gordon Smith, entomologist of the Tennessee Valley Authority, Dr. William Jellison, entomologist of the Public Health Service, Mr. H. A. Johnson, sanitary engineer, Mr. Fred Thomas and Mr. Edward Lacey of the T.V.A., and Mr. Carl Gosman, Health Service administrative official.

Titlebaum Trial Awaits Appointment of Judge

Approval of President Franklin D. Roosevelt is being awaited on the nomination made by Mr. Leighton Shields, U. S. District Attorney, and endorsed by Judge Milton J. Helmick of the U. S. Court for China, for the appointment of either Mr. Harris G. Nelson, local attorney, or Mr. Nelson E. Lurton, Commissioner of the U. S. Consular Court, to sit as special judge in the trial of Sam Titlebaum, former U. S. Deputy Marshal, now detained in Ward Road Jail on two charges of embezzlement of U. S. Court property.

Trial of Mr. Titlebaum cannot be set until the nomination of a judge is approved by President Roosevelt. Unable to raise the U.S.$5,000 bail set for the case, Titlebaum must remain in Ward Road Jail until the trial. He has asked for an attorney but so far local lawyers who have been approached have refused to take the case. A defense lawyer will be appointed, however, when Titlebaum is arraigned, according to Mr. Shields.

Meanwhile, it was learned from Washington that Mr. Nelson E. Lurton was reappointed Commissioner of the United States Consular Court in Shanghai for another four years by Judge Milton J. Helmick. Mr. Lurton took the oath of office August 20. This will be his third term in that office.

PRESIDENT LINER

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A Ship sailing second week in September.
" " last week in October.

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A Ship sailing last week in August.
" " second week in September.

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Japanese Continue Air Offensive; Chungking Press Hostel Wiped Out

Continuing their aerial offensive against Chungking, which has been intensified since Aug. 8, the Japanese blasted the Chinese wartime capital again on Aug. 13 and 14, concentrating on the western area between the Press Hostel and the city wall, but also attacking the city proper.

Battered and shaken in countless raids during the past two years, the Press Hostel, housing foreign correspondents and newspapermen, was finally wiped out on Aug. 13 during a second raid at dawn. Among numerous Chinese and foreign journalists who were deprived of their homes and offices in the building were Messrs. Mac Fisher, George Wang and Francis Yao of the *United Press* staff, Mr. and Mrs. Spencer Moosa of *Associated Press*, Mr. and Mrs. Thomas Chao of *Reuters*, Mr. and Mrs. Carl Mydans of *Life* magazine, all of whom lost their homes. Mr. Tillman Durdin of the *New York Times*, Mr. G. Stein, of the *China Air Mail*, and Mr. Peter Kiang of *International News* lost their offices.

NIPPON BOMBS DESTROY ANOTHER FOREIGN CHURCH

The Canadian Anglican Church in Loyang, capital of Honan Province, was demolished in a Japanese air raid on that city on Aug. 14, according to a delayed United Press report via Chungking received in Shanghai on Tuesday of this week. The church suffered a direct bomb hit, but the 500 parishioners, sheltering in the church's 40-foot-deep dugout, escaped harm. Great damage was done to the mile-square city in what was described as the worst raid it had ever experienced.

Chungking, Kunming Raided

The 26th raid during the week from Aug. 8 was staged on Chungking by a total of 117 Japanese planes in three waves the following day. The Kiangpei area, and the Haitanchi area, near the safety zone, and both banks of the Yangtsze, were bombed. On the same day, a *Domei* dispatch claimed that five crack Japanese naval air units attacked Kunming in a surprise raid, starting two fires. Damaged in the raid were the Southwestern Associated University, Tsing Hwa University, and the office of the *Yunnan Daily News*. Kunming was raided again the next day, and many educational institutions in the city were hit.

Among those who were killed in the raid on Chungking on Aug. 13, was Mr. Hsieh Yun-peng, editor of the *Yi Shih Pao*, influential Catholic daily. A *Domei* dispatch from Hongkong stated that more than 10 Chungking papers, including the military organ *Sao Tang Pao*, and the *Ta Kung Pao*, were forced to suspend publication because buildings housing these publications received terrific poundings during the serial bombings.

Heavy Damage Caused

Sharing the fate of Chungking, Kunming, the Yunnan provincial capital, was subjected to a series of bombings since Aug. 8. On Aug. 17, 27 Japanese planes blasted the upper end of the main business district of the city in the morning, causing heavy damage but slight casualties. Many of the shops which had been rebuilt following previous raids were again destroyed, *United Press* reported.

A series of sporadic raids were staged by the Japanese against various towns and cities in the provinces of Szechwan, Yunnan, Hupeh, Shansi, Anhwei and Fukien.

A *Domei* report claimed that Japanese army aircraft scored heavily in attacking Wushan, eastern Szechwan, on Aug. 17, following up with another successful raid on Kaishan the same morning. *Domei* further reported that the Japanese raided Hsiakwan, strategic town on the Yunnan-Burma Railway, 300 kilometers west of Kunming, on Aug. 15, for the first time since the outbreak of the hostilities four years ago.

A squadron of 17 Japanese bombers, led by three reconnoitering planes, raided Laohokow, in northern Hupeh, on Aug. 16, reported *Kuo Min*, adding that a number of houses were destroyed though casualties were slight. Enshih, provisional Hupeh provincial capital, according to *Havas*, was bombed on Aug. 13. On the same night, taking advantage of the full moon, 25 Japanese planes raided Sian, the Shensi provincial capital, and Tungkwan, strategic point and communications center, on the common border of Shansi, Shensi, and Honan provinces, but the damage done in these two raids was slight.

A Japanese military communique claimed a successful raid on Liuchai and Kiuhwa, respectively 50 and 70 kilometers east of Anking, in western Anhwei. Direct hits were reportedly scored on the headquarters of the Chungking 145th Division.

Sporadic raids were carried out by the Japanese in the Chinese-controlled area of Fukien province. Nanping, in western Fukien, received a score of bombs which damaged scores of houses, while three bombs hit an American Catholic Church in Kinow, west of Nanping, on Aug. 16, the *Shun Pao* reported.

Japanese Casualties

The Japanese have suffered no less than 1,900 casualties in their campaign northwest of Hsinyang, in southern Honan, between Aug. 8 and 13, the Chinese military spokesman, reviewing the war situation, alleged on Aug. 18 at Chungking, adding that the Japanese had advanced 20 kilometers in the drive, and were then hurled back with heavy losses. The probable aim of the Japanese drive, he said, was to locate Chinese concentrations or test the strength of the Chinese positions in the vicinity, a *United Press* dispatch from Chungking stated.

A statement on the losses of the Japanese air force in the past four years of war in China was issued by the National Aviation Commission at Chungking on the occasion of the Air Force Day, Aug. 14. On the same night a reception was held in honor of members of the Chinese Air Force, and Mr. Ku Cheng-kang, member of the Central Executive Council, outlined the Government's plans for further strengthening the air force, a *Kuo Min* dispatch from Chungking stated.

Nippon Air Losses

The statement declared that the Japanese lost a total of 2,054 airplanes, 1,500 of which were shot down by Chinese pursuit planes and anti-aircraft guns; the rest were destroyed by Chinese bombers on the ground.

The Japanese lost more than 4,000 pilots, including 2,650 men killed or taken prisoner, and whose identity has been verified. Among those who lost their lives on Chinese soil were many well-known Japanese pilots, including the "pursuit king," the "bomber king," and the "four pursuit aces," the statement added.

In recognition of their efficient services during the recent Japanese air-raids on Chungking, General Chiang Kai-shek has conferred a reward of $300,000 on the air-defence units of Chungking, according to another *Kuo Min* dispatch.

Commenting on the recent large-scale Japanese air-raids on various key cities of Free China, especially the Chungking area, a spokesman of the Chinese Military Affairs Commission, quoted by *Kuo Min*, said that these raids could not accomplish any military or strategic objectives.

Purpose of Raids

The Japanese motives for the bombing, according to the spokesman, are as follows:

1. To reduce China's productivity by forcing suspension of work.
2. To terrorize the Chinese populace.
3. To break China's will to resist and wreck the morale of the Chinese populace by severely bombing the war-time capital.

However, the spokesman asserted, these air-raids have further strengthened the people's will to resist, while the material damage caused by these raids is not great as compared with the Japanese expenses for gasoline and bombs used.

Work is being carried on, and newspapers are being published in Chungking and other cities just as usual, the spokesman declared.

Chungking Under Aerial Menace

BY WALTER BRIGGS

There it stood, across the mighty, rushing Yangtsze — Chungking, China's wartime capital, the goal of five young Americans during five weeks of travel inland after having crossed the Japanese lines in Kwangtung. On the south bank of the Yangtsze, to which the road from Kweiyang had brought us, we drove on to a ferry and wheezed across the great river.

As we drove along the main street of Chungking, high above the river, and saw the material desolation everywhere, we realized that we had also seen Shaokwan badly battered by bombs and Kweilin and Kweiyang mussed up, but none of them like this. Building after building had been blasted. Ruin was everywhere. One authority has written that 70 per cent of Chungking's buildings have been scarred or destroyed by the marauders.

Chungking is warned of approaching Japanese planes by a system of signals and sirens. These signals, a system of huge balls atop a pole, are placed at strategic points about the city. When a Japanese reconnoitering plane is out, a triangle appears atop the pole. The appearance of the triangle, in good weather, is almost a 100 per cent sign that there will be a raid within a few hours. When one ball is hoisted atop the pole, the Japanese planes have taken the air from their bases in occupied territory. Two balls mean they are only 200 kilometers away. Lowering of the balls and long blasts on the siren is the emergency alarm that the planes are within striking distance and that the rain of bombs will begin shortly. Another siren sounds the all-clear.

Chungking's citizens are well protected from death, however. Chungking is a city built on rock and workmen have been drilling and blasting into these rocks, fashioning dugouts for the city's thousands, ever since the Japanese began their extensive bombing on May 3, 1939. As one walks along the streets, he passes scores of these man-made caves, most of them with heavy rock walls at their mouths to guard against flying shrapnel and debris. There is enough space for everyone in one dugout or another. Most are equipped with benches for the occupants. Dugouts also have been built for many of the precious trucks and motorcars; some dugouts boast electric lights; and some arsenals and factories now are housed within the earth and carry on full blast, Japanese planes or not.

War's grim, brutal reality hit the writer during his first full day in Chungking. There was no dugout for the Red Cross car I was driving, so, after the first alarm and a hastily-gobbled meal, I took the car out to the countryside, four or five kilometers from the city, and parked it in a vacant matshed. Other cars from the city had been similarly parked along the road, the drivers believing them to be safe from bombing at that distance from the city. Just before the final alarm, I climbed a nearby hill to watch the raid, disdaining the solid dugouts just off the road below.

The ominous roar of the invading planes could be heard, gradually growing louder, several minutes before they hove into view. I stood watching and eventually saw a squadron of nine planes, high in the sky—perhaps 12,000 feet. Puffs of white smoke from anti-aircraft fire appeared about them and from the rumble and concussion I gathered that some of the Chinese anti-aircraft guns were not far from where I was standing. The planes roared overhead, dumped their cargo of bombs on the city, many falling into the river, then left. Another squadron of nine appeared and the process was repeated.

All was still for a few minutes. Eventually, however, that roar filled my ears again. A larger group of planes, more than two dozen, appeared. Suddenly, there was a terrific blast and concussion and I was showered with debris. I dove almost head first for a tiny, makeshift cave in the earth nearby which was sheltering four or five of the farmer folk. The blasts and accompanying concussion continued and mud, rocks and wood showered our hole—which was only about four or five feet in depth. My newly-met companions were as fearstricken as I: a small boy was crouched in the corner, his fingers in his ears, tears running down his face; a weather-beaten old woman was quaking in another corner, the skin of her face drawn taut with fear.

As the roar of the planes, the bombs and the anti-aircraft guns ceased, these Chinese leaped out of their hole and raced towards their nearby homes, anxious about their worldly possessions. I followed them and saw that the landscape was dotted with buildings in flames. The Japanese had been using incendiary bombs on military objectives! The A.R.P. men and military police were efficiently at work, seeking to control the fires. Bucket brigades were quickly formed to quench the flames. The natives were pressed into service to carry by stretcher to the nearest first-aid station several soldiers who had been cut up by shrapnel and debris. Several civilians, who like myself had been foolish enough to stand in the open and were severely wounded, also were rushed away. One man was discovered dead in a half-burnt chair within one house. An automobile was in flames. Even the roof of the car I had driven out was punctured by a rock and its interior was filled with debris.

Such was my Chungking baptism of fire!

In addition to its air raids, Chungking has other attributes which are keenly felt by the man in the street. In the first place, Chungking is inhumanly hot and gets little breeze. Then, important centers are long distances apart and even with ricshas and sedan chairs paying a call often is a full-day job. Chungking also is noted for its high commodity prices, widely attributed to rice-hoarding. Rice at market prices is almost 250 per cent higher than in Shanghai, where most rice is imported. Imported goods are sky-high: Lux soap equals 20 U.S. cents per bar; a package of American cigarettes, 56 cents; gasoline, about $2 per gallon.

Yet, despite his difficulties, Chungking's man in the street takes life with a grin. His house may be blasted to bits today, but he will rebuild it tomorrow. He expresses a confidence that his country's soldiers will emerge victorious and that a new day awaits him.

Air-Raid Signal

Photo by Thomas Kwang

Two balls raised on a pole atop one of Chungking's many hills signal the approach of Japanese bombing planes. The balls come down when the planes reach within striking distance of the city and the sirens then screech out emergency warnings.

Effect Of Freezing On Interior Remittances

BY KENNSON GEE

YOUTHFUL CHINESE BANKER MURDERED; CRIME ATTRIBUTED TO PUPPETS

Mr. Kennson Gee, author of the accompanying article, which appeared in "Finance and Commerce," local British economic publication, was shot and killed by a gang of gunmen on the morning of August 15 just after leaving the American Club on Foochow Road. Only 29 years old, Mr. Gee was the manager of the Ho Cheng Bank, which dealt very largely in remittances between Shanghai and the interior of Free China. It is commonly believed that he was killed by gangsters connected with the Central Reserve Bank, an institution of the puppet Nanking regime, whose enmity he had incurred because of the type of business in which his bank was engaged. The article in "Finance and Commerce" is said to have particularly infuriated those in control of the puppet banking concern. It appeared in the August 13 issue, just two days before he was murdered.

The murderers reached the scene of the crime, which is within stone's throw of Central Police Headquarters, in an automobile later identified as having been stolen a week previously while parked outside the Paramount Ballroom, on the fringe of the Western District "Badlands." Police took issue with the gunmen after Mr. Gee had been fatally shot and a running gun battle ensued in which a Chinese police constable of the S.M.P., two Chinese, including a ricsha coolie, and one of the gangsters were shot dead or fatally wounded. Eight other pedestrians received gunshot wounds of varying degrees of seriousness.

The gunmen abandoned their stolen car when a Chinese police constable put it out of action close to the scene of the crime by a well-directed shot at the motor. They fled in a westerly direction with police on foot and on motor-cycles in pursuit, and the battle ranged as far as the Louza District...Four or five men took part in the attack on Mr. Gee, but only one was captured after being wounded by police fire. He subsequently was reported to have died from loss of blood after confessing his complicity in the murder.

Little attention has been given to the question of interior remittances during the past few years. The interest shown in this subject has been comparatively small and the number of people who have followed the business closely has been insignificant compared with those engaged in foreign exchange. Nevertheless the merchants whose affairs have been closely connected with the interior market have been constantly watching developments. For instance, as they were shipping goods from the coastal cities to the interior, they naturally had to include in their selling prices the difference or the discount they were going to suffer when the goods were sold and such proceeds were to be remitted from the interior back to the coastal cities. The ups and downs in the rates therefore, would mean very much to them. They might sometimes wipe out all the profit they had been anticipating, and turn a profitable transaction, as it were, into a loss, or on the other hand, they might make more money than they had expected.

As time went on, the changes in the facilities and the routes of transportation, the steady increasing demands for inported articles in the interior, the alterations in policy made by the interior financial authorities with their associated but outside parties concerned with currency control, and many other minor factors, became clearly influential on the trend of the rates. Above all, a number of financial experts and some of the foremost investment bankers in Shanghai, having watched the international situation go from bad to worse and the local financial conditions become more complicated, began to take notice of the industrial and the commercial developments in the interior. Through their influence more and more people took interest in these matters until today a very wide circle is concerned and it is not too much to say that international developments and outside influences are closely related to the development of the interior remittances market.

In Finance & Commerce of July 9th, under the Special Statistical Secton, the Ho Cheng Bank Ltd., gave the daily quotations for the Shanghai—Interior remittance rates for the first six months of this year. The rates however, only indicated the approximate standard or average of such rates at which business was done, as they are subject to fluctuations during business hours of each day. In this table it was noted that the highest point was reached on January 13th when the rate on Chungking was 835, on Kunming 850, and on Chengtu 854; the lowest level was touched on the other hand at 721 on Chungking, 717 on Kunming, and 722 on Chengtu, on June 17th. Although the fluctuations ranged more than 100 points on each city during the period of six months, the fact did not cause any sensation or excitement for the reason that the fluctuations were gradual. There was not any sudden change which caused a difference of 50 points in a single day.

Now that, as stated, the international situation or outside influences have more power to influence interior remittances, this particular market, as was to be expected, experienced a most exciting week, during the end of July and the beginning of this month. The freezing orders issued by Washington and London simultaneously, not only considerably affected the local financial market as a whole but also influenced indirectly but immediately the rates of interior remittances. Many times in the past notable changes in these rates have been initiated by Chungking or Kunming, the former being the financial Centre of the interior, while Shanghai only showed a passive reaction. At the beginning of August, for the first time in the past few years, the big change was brought about by Shanghai and rates recorded nearly 100 points advance on each city in a single day, on Friday, August 1st. This resulted from the fact while the local financial market was reacting nervously to the freezing orders, many financial experts and investments bankers, who have been constantly watching developments, believed that there would be a considerable amount to be sent to the interior by the local investing public seeking investments. They took advantage of the low rates one step ahead of others, and wired almost immediately after the confirmation of the freezing orders to their interior branches or correspondents to sell Shanghai dollars for their accounts. In two days time these rates rose continuously to as high as 885

At this moment many people seemed to have very little doubt that the interior dollars would soon reach par with those of Shanghai. Much to their surprise, however, these rates not only could not climb any higher but eased off again toward the end of last week. They are quoted today (Tuesday)

Murdered

Mr Kennson Gee, manager of the Ho Cheng Bank in Shanghai, was shot and killed at 9.30 a.m. on Friday, August 15, just after leaving the American Club on Foochow Road.

at 779 on Chungking, 778 on Kunming and 780 on Chengtu. The writer was confused at first when questioned as to the causes for this turn-back? However, through the exchange of telegrams with the interior cities and Hongkong it has now been confirmed that Hongkong is the place where considerable amounts of Chinese Dollars are being sent from interior these days as Chinese in Hongkong still can freely:

(1) Convert their Chinese Dollars into Hongkong currency.
(2) Use their Hongkong Dollar deposits freely, provided they are residing in Hongkong, otherwise they have to apply for permit before doing so.
(3) Outside of Sterling Bloc they still can remit CN$1,500 per month; subject to permit it is still possible to remit bigger amounts.
(4) They still can purchase other currencies within the Sterling Bloc.

Hongkong seems to be the loop-hole this time instead of Shanghai for the refuge of Chinese dollars. Though long expected, the freezing orders were issued suddenly and many people, it was learned, were caught when the freezing was declared, as they still had settlements in foreign currencies to be made but contracted for, due to the lack of immediate facilities in the interior. Moreover, some people were caught who already had imported goods on the way, but had not made adequate arrangements for the necessary foreign money.

World-Wide Reactions to the Joint Declaration Of President Roosevelt and Mr. Churchill

CHINA

"The Chinese Government and people warmly welcome and support the joint declaration....The basic anti-aggression aims enunciated therein not only express the stand of the various Democracies, but also represent the aspirations of all peace-loving and freedom-loving people for a genuine new world order. Many people in the Axis countries are probably also in sympathy with these aspirations....China is convinced that the shortest path to the ultimate destruction of the forces of aggression in the world lies in the strengthening of the encircling movement in the Far East with a view to first knocking out Japan, and that Japan herself is the sole creator of this encirclement."—*Statement by the Chinese Foreign Office in Chungking.*

•

The Chungking *Ta Kung Pao* said that a first reading of the joint declaration reveals the same terms which led to the outbreak of the present hostilities. The paper urged "more reasonable adjustments," no hoarding of raw materials by a few countries, and the disarming of all aggressors.

•

Chinese Government officials in Chungking, according to *United Press*, considered the Roosevelt-Churchill meeting as "extremely significant and of great importance to all peoples of the world," including the Chinese, who are deeply interested in the future reorganization of the world. They were favorably impressed with the joint declaration. According to *Kuo Min*, the officials were especially gratified over the provision in the joint declaration for disarmament of the aggressive powers, but to achieve this they believe swift Anglo-American action is necessary to bring about the defeat of Japanese aggression by force of arms.

•

President Roosevelt and Mr. Churchill "must have discussed the Far Eastern situation, as well as other topics, including the Battle of the Atlantic and Anglo-American aid to Soviet Russia. They have obviously agreed to take all possible action to prevent further Japanese expansion in the South Pacific or a Japanese invasion of Siberia."—*The Shun Pao.*

•

"Behind the main points outlined in the Roosevelt-Churchill declaration, there must be hidden something far more important."—*The Shen Chow Jih Pao.*

•

"While the eight points set forth in the declaration are to be welcomed, they can be carried out only by more resolute action on the part of Great Britain and the United States.... Compared with the late President Woodrow Wilson's Fourteen Points, the eight points set forth in the Roosevelt-Churchill declaration are more realistic and better suited to meet the requirements of the present world crisis."—*The Chung Mei Jih Pao.*

JAPAN

Authoritative quarters in Tokyo, according to *Domei*, said that the declaration, firstly, amounts to the extraction by the United States of a British promise to continue the war and not to conclude a separate peace with Germany; secondly, it underwrites Anglo-American post-war aims for Anglo-Saxon world domination; thirdly, it demonstrates the failure of Britain and the United States to grasp the real causes underlying the European conflict.

•

While asserting that the joint Anglo-American declaration was "the last struggle of the *status quo* nations," the *Kokumin Shimbun* admitted that it has "clearly added to the problems of Japan and her attempts to build a new order in East Asia.

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The *Japan Times & Advertiser*, mouthpiece of the Tokyo Foreign Office, said the declaration would make no difference to Japanese policy. "President Roosevelt and Mr. Churchill, who have an eye for a good theater, met to close ranks on democratic policy, to coordinate common defense, and to present the world with a platform to which other nations are asked to adhere." The 8-point declaration is designed "to forestall the anticipated 'peace offensive' of Chancellor Hitler....thus preventing the emergence of any peace factions which might advocate acceptance of any terms which Herr Hitler might offer."

•

"We should consider the Roosevelt-Churchill declaration as a British-American declaration of war, since it is obvious that the U.S.A. and Britain will shortly increase their economic and military pressure on Japan."—*The Tokyo Nichi-Nichi Shimbun.*

PUPPET CHINA

"The statement that Great Britain and the United States are not harboring territorial designs is contradicted by British designs on Iraq, the British occupation of Syria, and British activity with regard to Thailand. It is further contradicted by American occupation of Greenland and Iceland and American designs on other territorial bases." This and other points in the declaration clearly reveal that it is the intention of Great Britain and the United States "to subject smaller nations to the tyranny of a Dollar-Sterling Bloc."—*The Sin Pao, Nanking.*

UNITED STATES

"Not peace aims, but Anglo-American military and naval cooperation were discussed in the admirably stage-managed Atlantic conference. An effort is being made to deceive the American public as to the real purpose of the conference. The fact that military and naval chiefs were there instead of the British Foreign Secretary and the U.S. Secretary of State, indicates that it was war and not peace that was discussed"—Alfred M. Landon, one-time Republican presidential candidate.

•

"The statement crystallizes aims and aspirations in which all freedom-loving peoples are so closely joined"—*Representative Sol Bloom of New York, chairman of the House Foreign Relations Committee.*

•

"The declaration sounds like the same old sales talk, only with a little more sugar on this time."—*Representative Paul W. Shafer, Republican of Michigan.*

•

"Why don't Britain and the United States start imposing the four freedoms in India and Russia right away?"—*Senator Robert R. Reynolds, Democrat of Kentucky, chairman of the Senate Military Affairs Committee.*

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"To my mind it represents a turning point in the history of the world."—*Representative Andrew J. May, Democrat of Kentucky, chairman of the House Military Affairs Committee.*

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"This is a splendid statement, even better than the President's four freedoms."—*An Official of the Committee to Defend America by Aiding the Allies, in an interview with Reuter.*

•

"The joint declaration is a mere group of words aimed at covering up the real object of the meeting between President Roosevelt and Mr. Churchill, and had nothing to do with the subjects discussed. The people of the United States want above all to know what Mr. Churchill asked for and what the President promised."—*John T. Flynn, chairman of the New York Section of the America First Committee.*

•

"The Isolationists and perhaps the majority of the Republicans in Congress will henceforth attribute any important step taken by the United States to the seduction of the President by Mr. Churchill. This may perhaps make more difficult the enforcement of a policy which the great majority of clear-sighted people favor."—*The Baltimore Sun.*

•

"The President definitely has committed the Administration to work for the final destruction of Nazi tyranny. At the same time, the meeting is a warning to Japan."—*The Washington Post.*

•

"It is the end of isolationism. The new era which is now commencing will see the United States assume the responsibilities incumbent upon a

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great world power."—*The New York Times.*

•

"The joint declaration lays down the basic principles for the future of democracy, a positive future for which it is worth hoping, working and fighting."—*The N. Y. Herald-Tribune.*

•

"The Roosevelt-Churchill declaration undoubtedly is designed to answer charges that Britain, with American support, is fighting to maintain a dominant world position. It contains at least an implied promise to non-belligerent 'have-not' nations like Japan, as well as Axis-inclined France, that a new deal will be effected when the war is ended, and at the same time warns them to refrain from active participation on the side of the aggressors."—*The Washington Star.*

BRITISH EMPIRE

While the declaration was generally hailed in England as a great and progressive step there were also critical voices. The London *Daily Mail* believed that the pledge that there was no striving by the democracies for territorial or other aggrandizement was premature, inasmuch as it might be necessary to take and hold certain territories "in the interests of their populations."

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The *Straits Times* in Singapore described the declaration as the "popping of a damp squib" when an explosion had been expected. "We had hoped for an uncompromising reference to Japan or a definite hands-off warning which would have reduced the Far Eastern situation to a clear-cut issue—halt now or fight us both. Instead it appears that one more veiled offer of appeasement has been made, but this certainly will not curb the Tokyo hot-heads. On the contrary, it is more likely to produce greater truculence in those quarters."

•

The *Times of India* declared that there is now "renewed hope for a world uneasy over the state of gangsterism prevailing in a large part of Europe and now threatening Asia." The *Bombay Chronicle* stated that "the question now arises for India as to whether this charter of freedom will be translated into acts as far as the subjected nations of Asia and Africa are concerned."

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According to the *Ottawa Gazette*, the "1941 Model" of President Wilson's Fourteen Points shows a much more realistic appreciation of facts, because disarmament will be imposed upon nations threatening or likely to threaten peace.

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"The text indicates that we have arrived at an understanding for complete cooperation in the prosecution of the war and regarding the terms of a victorious peace without revenge."—*Prime Minister Mackenzie-King of Canada.*

LATIN AMERICA

"Except for the references to military action, the principles expressed in the declaration are similar to those we have followed throughout our history. These principles are the arbitration of international controversies."—*La Prensa, Buenos Aires.*

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"United States enters the war!"—*Shouts of newsboys on the streets of Buenos Aires when selling papers containing text of Declaration.*

•

"What President Roosevelt and Mr. Churchill agreed upon—peace by universal disarmament."—*Headline in Ultimas Noticias, Mexico City newspaper.*

GERMANY

Authorized sources in Berlin, according to *Domei*, described the entire declaration as "propaganda and bluff," and added that President Roosevelt and Mr. Churchill were "unfortunate in that their declaration was made at a time when every hour brings new reports of impressive successes of the Nazi Army in the Ukraine."

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"....a pitiful attempt to bring to new life dead phrases. Who in Europe will allow himself to be disapproval of territorial ambitions, the right of all peoples to remain free, access to raw materials by all on an equal footing, and the peaceful deceived today by the fraudulent promise that a permanent system of world security is to be established after the disarmament of all those who stand in the way of the British and Americans? Such inefficient plagiarizing of Wilson's Fourteen Points is doomed to failure, because the originators are the same who 25 years ago cheated the world by false

promises....Guns will speak until the enemy is beaten and Germany's existence is secured for all time."—*Deutsche Allgemeine Zeitung.*

*

"Certainly, the warmongers are pleased that Roosevelt formally declared his adherence to the aims which warring Britain is mechanically repeating again and again through the medium of Churchill: the destruction of National Socialism and Germany's disarmament . . . Indeed, whoever plans to abolish National Socialism and the Fuehrer in the Reich, who endeavors again to disarm the German people so that the right to carry arms would again be restricted to other countries and to Russian Bolshevism, wantonly conjures up dangers for his own nation, of whose extent a man like Roosevelt should really be aware."—*Deutsche Diplomatisch-Politische Korrespondenz.*

*

"The bombastic declaration was only meant to serve as a smoke-screen for the dilemma in which both Roosevelt and Churchill found themselves. Neither Roosevelt nor Churchill are able to fulfill each other's requests. Churchill came to request an American declaration of war. Roosevelt, however, was compelled to tell the British Prime Minister that he Roosevelt, was not in a position to take this extreme step. In addition, Roosevelt had to point out that neither Congress nor the American people are ready to follow him in war."—*Berliner Boersen-Zeitung.*

FRANCE

"It would seem that the declaration is inspired with President Wilson's idealism which led Europe for more than 20 years to suffer disappointing experiences."—*Le Temps.*

SOVIET RUSSIA

"In its spirit and essence the declaration is permeated with firm determination to bring to a victorious conclusion the struggle against Hitlerite oppression and to secure final annihilation of Nazi tyranny.... The extension and continuous consolidation of the united front of peoples which rose for the struggle against Hitler's tyranny fully confirms the words of Stalin to the effect that in this great war we shall have loyal allies in the peoples of Europe and America, including the German people who are enslaved by the Hitlerite despots....The Soviet people acclaim the decision accepted at the conference of the political leaders of the United States and Great Britain."—*Pravda.*

Japanese Harass Kiangsu Missionaries

Eight missionaries and a child, detained by Japanese military authorities at Tsingkiangpu since July 31, were released on August 16, while Miss Tull Lillian Wells, an American missionary in Hweian, has not been strangled to death as previously reported, according to information reaching mission circles in Shanghai.

Miss Wells was reported strangled to death when Japanese military authorities seized the American Mission Hospital in northern Kiangsu province and detained personnel during mopping-up operations conducted against Chinese Communist forces. A later report, however, revealed that Miss Wells was only detained and not strangled.

Group Held Prisoner

Missionaries in Tsingkiangpu were only recently found to have been taken into custody by an arbitrary Japanese Lieut.-Colonel on July 31. The group was held in the upper story of a house for 16 days during which time they were fed a diet of extremely poor food. They were detained as a Japanese retaliatory measure against the recent freezing of Nipponese credits in the United States, according to information reaching Shanghai by runner. Placards asserting this are said to have appeared in the northern Kiangsu city.

News of the release of the Tsingkiangpu group was conveyed to the United States consulate in Shanghai by Japanese authorities, but no confirmation from the victims has yet been received. It is not known whether Miss Wells has yet been released.

The press bureau of the Japanese Army, according to an August 17 **Domei** report, stated that the Japanese-missionary incident in the Hweian sector was settled following the presentation to Japanese Army authorities on August 14 of a written statemen admitting and apologizing for certain acts which gave the enemy valuable military information. The written statement was allegedly turned over to the Japanese by a representative of the American Presbyterian Mission at Hweian.

Said Highly Improbable

This report was said to be "highly improbable" by authorative quarters in Shanghai, while the American consulate revealed that no information clarifying the report has been received from the missionaries themselves.

Domei further revealed that the Japanese Lieut.-Col involved in the affair objected to the mission hospital's release of 16 of 19 wounded Chinese soldiers before the Japanese took the city. It was also stated that a daughter of an officer of the New Fourth Army was found to be an employee of the hospital and had been relaying military information to the enemy concerning Japanese troop movements.

Meanwhile, **United Press** reported from Peiping that the American consulate at Tsinan on August 18 protested to the Japanese authorities in the Shantung capital against measures taken against American missionaries at Tehsien. American missionaries there were understood to have been placed under constant guard.

Poisoned Food Kills Nine on Tatuta Maru

Ptomaine poisoning took a death toll last week of nine third-class passengers traveling to Japan from the United States aboard the 17000-ton N.Y.K. liner Tatuta Maru. The dead were among the 120 passengers stricken after eating an omelette served for the evening meal on August 15. Thirteen other persons are still in a critical condition. They were rushed to hospitals when the ship docked at Yokohama on August 17.

Members of the Kanagawa Prefecture Sanitation Office and the water police met the ship at the dock and started to investigate. The ship's doctor partly blamed the extreme heat of the Pacific crossing for the disaster and cited the lack of medical supplies and nurses to meet the emergency as a contributing cause for the high death toll.

Aboard the liner was the famous Japanese evangelist, Toyohiko Kagawa, who has been meeting Christian leaders in American as well as several members of the Mitsui and Mitsubishi firms who evacuated the United States.

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Continued from page 361

ties refused to tell why the fence was being erected.

Kidnappers were active again during the week, and abducted, among others, Mr. Tzen Tsu-ying, 26-year-old manager of C. Hargen and Company, coal importers, 115 Yuen Ming Yuen Road on August 16. Mr. Tzen was kidnapped in the presence of his wife and younger brother outside his home on Route Frelupt. Motive for the abduction is thought to be ransom.

An echo of the murder of Col. Hsieh in the camp of the "Doomed Battalion" was heard on August 16 when the four murderers who were sentenced to death appealed against their conviction in the Second Branch of the Kiangsu High Court. They were questioned and will appear again at an early date.

From Hankow came an August 16 *Domei* report asserting that the July 12 incident in the Hankow French Concession in which one Japanese was killed and another wounded by Annamite constables had been amicably settled.

A humiliating 18-point agreement is said to have been signed, containing provisions whereby the French Concession authorities recognize the right of passage of Japanese forces through the Concession and the patrolling rights therein by Japanese Army and Navy squads.

The agreement is also said to provide for compensation to all the Japanese involved in the shooting incident and the punishment of the Annamite constables concerned. Japanese residents in Hankow are furthermore permitted to enter the area freely, and both Japanese and French authorities will endeavor to "maintain peace and order."

It will be recalled that the incident occurred when six drunken Japanese refused to obey orders given by an Annamite constable. In the argument which ensued, French police were forced to uphold their position with gunfire, and one Japanese was killed.

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Coolidge Unable to Evacuate Americans

Japan refused permission for the American steamship, President Coolidge, to visit a Japanese port and embark approximately 100 Americans desiring repatriation from Japan, it was announced by the American State Department on August 16, one day after the ship sailed from Shanghai. The ship is now proceeding to San Francisco via Honolulu.

The State Department further revealed that the Japanese Government was willing to permit the ship to pick up some 20 United States officials but would not allow it to evacuate civilians. This has led observers to believe that the Americans are being held as hostages until arrangements have been made for repatriation of Japanese in the United States. All the Americans involved were booked to proceed to the United States aboard Japanese ships until the latter's schedules were cancelled.

The question of evacuating United States nationals from Japan is said to be under discussion at the State Department, the American Embassy in Tokyo, and the Japanese Foreign Office.

Not Hostages, Says Ishii

In commenting on the Coolidge case, Mr. Koh Ishii, Deputy Spokesman of the Information Board, revealed on August 19 that the call had been refused because the "United States acted contrary to the original arrangement by which the liner was to stop at a Japanese port exclusively for the purpose of removing 22 American officials." Evacuation of American citizens must now be taken up together with other issues connected with current American-Japanese relations, Mr. Ishii stated. He later added that there was no intention to hold American nationals as hostages.

Meanwhile, the American President Lines has announced that it is closing its Kobe office and withdrawing from the Trans-Pacific Freight Conference. Closure of the Kobe office will occur at the end of the month and has been anticipated for some time, since the company's vessels have not been calling at Japanese ports since May. Reports that the Shanghai office will also be closed have not been verified

Representatives of the American President Lines on August 13 signified their intention of leaving the Trans-Pacific Freight Conference and demanded immediate return of the conference deposit fee of Yen 25,000, according to a **Domei** dispatch from Tokyo. The Canadian Pacific Steamship Company has already left the conference, but membership in the group is still retained by four companies, the American Mail Line (United States), the Blue Funnel Line (British), the Maersk Line (Danish), and the Barber Wilhelmsen Line (Norwegian). These companies have no intention of withdrawing, it is said.

Additional shipping tonnage aggregating 31,200 deadweight tons is being diverted to the De La Rama Philippine-United States service, it was announced on August 18 by Sig. Enrico Pirovano, president of the firm. The new ships for the run are presumably being rationed out by the U.S. Government in an effort to relieve the acute shortage of shipping bottoms. The vessels, the Carreta, Cardina, Carmona, and Carbella, are now operating over a variety of hemisphere and Pacific routes, according to **United Press.**

Attempt Made on Life of Hiranuma

Baron Kiichiro Hiranuma, influential Japanese Minister without Portfolio, was wounded in the neck by an assassin on August 14 but is now reported on the road to recovery.

The Baron was attacked in the parlor of his home shortly after 8 a.m. after the gunman, 33-year old Naohiko Nishiyama, had gained entrance by means of an appointment to read the statesman's fortune. Nishiyama was conversing with the Baron and suddenly whipped out a pistol and shot him in the neck. Despite the wound, Hiranuma is reported to have chased his assailant as he fled from the room. A guard arrested the attacker.

Following the shooting Baron Hiranuma was treated by Emperor Hirohito's own physician. He was pronounced "out of danger" on August 16.

A cautious conference-holding former Premier and former Privy Council President, Baron Hiranuma is generally regarded as the most powerful conservative leader in Japan, states a **Domei** biography of the statesman. The Baron's tremendous influence with the "Zaibatsu" financial tycoons, and with rightist groups is said to have been misinterpreted by many as indicating strong fascist leanings. The Baron is reported, however, to be first and last a rightist nationalist conservative and a strong steadying brake in the nation's policy-making machinery.

Held Many Posts

Born in 1865, he graduated from the Tokyo Imperial University's Law Department in 1888 and immediately entered the Ministry of Justice. In a series of rapid promotions he reached the position of Counsellor in the Justice Ministry in 1906, in which year he visited Europe and American. On returning to Japan he became in turn Procurator-General, President of the Supreme Court, Vice-Minister of Justice in the Saionji Cabinet, and Vice-President of the Privy Council in 1912. He was named Minister of Justice in the Yamamoto Cabinet in 1923 and the following year was given Imperial nomination to the House of Peers. He was granted his title in 1926.

Baron Hiranuma took his highest position in May 1, 1939, when he assumed the premiership following the fall of the first Konoye Cabinet. This position lasted only until August 29, 1939, when his cabinet fell as an indirect result of the signing of the German-Soviet Non-Aggression Treaty. The Baron came back into public life as Home Minister in the second Konoye cabinet and was retained as minister without portfolio when the third Konoye cabinet was formed last month.

Tokyo newspaper comment on the assassination was unanimous in demanding swift measures to wipe out terrorism and voiced deep regret over the incident. The **Kokumin** asserted that "burning patriotism of wartime should not be shown by individual acts of terror," while the **Asahi** expressed concern over the affair and stressed the Baron's importance as an elder statesman and a "pillar of the war-time cabinet."

The Chinese paper, **Ta Kung Pao,** commenting on the assassination attempt, stated that the Japanese crisis is approaching its most critical stage. It declared that extremists are becoming impatient with the status quo tactics of the Konoye Cabinet and are demanding positive action. Japan's tactic of using external difficulties to forestall domestic upheaval were said to be shown up as futile.

NankingRegimeUndergoesReform, Reorganization Following Meeting

Widespread speculation has been aroused in Chinese and foreign circles by a decision of the Nanking government to carry out a drastic reform of the structure as well as the personnel of the government. The decision was reached on Aug. 16 at an extraordinary meeting of the Central Political Council presided over by Wang Ching-wei, ascording to **Domei.**

In a statement after the meeting, Mr. Wang declared that the purpose of the reorganization is "to strengthen the National Government so that it may carry out the policy for the safeguarding and expansion of peace and meet the present internal and external situation." The specific aims of the reform, as outlined by Mr. Wang, are as follows:

Three Main Aims

1. To simplify and rationalize the administrative machinery;
2. To reduce the restraints on the progress of political administration, and to improve administrative technique and efficiency;
3. To establish a firm system of civil service after accomplishing the two points mentioned above.

Several ministries will be merged. The Ministry of Railways will be incorporated into the Ministry of Communications, while the Ministry of Commerce and Industry and the Ministry of Agriculture and Mining will become one under the name of Ministry of Industry. Likewise dissolved is the Social Affairs Ministry, which will be merged into the Central Headquarters of the Orthodox Kuomintang.

Police to be Merged

The Ministry of Police, according to the Nanking-sponsored **Central Press**, is to be merged with the Ministry of Interior, and a Police Administration will be established under the Ministry of Interior. Among new institutions to be established is the Social Movement Guidance Committee, with a chairman, three permanent members, and nine members. In various provinces and special municipalties will be established branches of this newly-formed Committee, which will be under the direct control of the respective provincial and municipal governments but supervised and guided simultaneously by the Central Committee.

A complete list of new Nanking personnel is given by the **Central Press** as follows:

1. Chao Cheng-ping—Member of the National Government (Elected Rank).
2. Yang Shou-mei—Member of the National Government (Elected Rank).
3. Mei Sze-ping—Minister of Industry (Special Rank).
4. Ting Meh-chuan—Minister of Communications (Special Rank).
5. Li Sheng-wu—Minister of Education (Special Rank).
6. Chao Yu-sung—Minister of Justice (Special Rank).
7. Chu Ching-lai—Chairman of the Irrigation Commission Special Rank)
8. Fu Shih-yueh, Li Shih-chun, Chen Chun-huei and Chao Tsun-yu—Permanent Members of the Executive Yuan (Special Rank).
9. Chow Fu-hai—concurrently Chairman of the Social Movement Guidance Committee.
   Mei Sze-ping, Ting Meh-chuan and Li Sheng-wu—Concurrently Permanent Members of the Social Movement Guidance Committee.
   Li Shih-chun, Chen Chun-pao, Jen Teh-kwang, Lo Chun-chang, Chow Hsueh-chang, Peng Nien, Ku Chi-wu, Chow Hua-jen and Tang Huei-ming—Members of the Social Movement Guidance Committee.
10. Li Shih-chun—Director-General of Investigations and Statistics of the Military Commission (Special Rank).
11. Ku Chi-wu—Political Vice-Minister of Communications.
12. Li Tsu-yu—Political Vice-Minister of Industry.
13. Hu Lan-cheng—Relieved of his post as Political Vice-Minister of Publicity.
    Chow Hua-jen—Political Vice-Minister of Publicity.
14. Wang Wan-yun, Ho Ting-liu, Tang Ching-po, and Chu Po—Members of the National Economic Council (2nd rank).
15. Ku Pao-heng—Administrative Vice-Minister of Industry.
16. Su Cheng-teh—Director-General of the Police Administration of the Ministry of Interior and concurrently Director of the Metropolitan Police Bureau.
17. Tang Tsu-yu—President of the Central Police Officer Academy.
18. Chao Cheng-ping — Concurrently Chancellor of the National Shanghai University.

Budget Questions

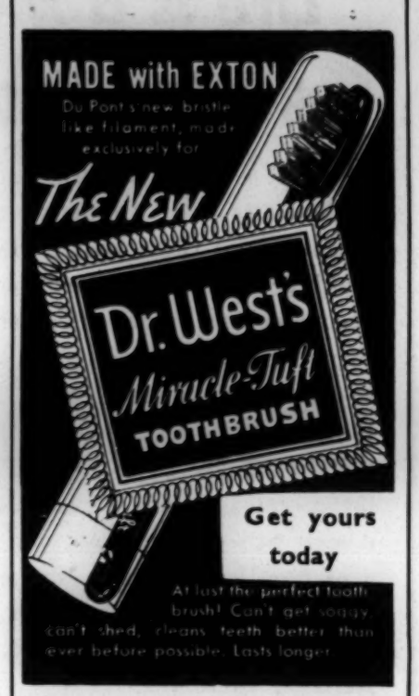
Financial arrangements for the newly-established and the amalgamated ministries were also decided upon and embodied in one of the supplementary resolutions: "The expenditures of the amalgamated or reorganized Ministries and Commissions for the month of August, 1941, shall be allotted according to the original budgets. From September, 1941 their expenditures shall be allocated according to the new budgets. The new budgets of the new Ministries created by the amalgamation of two Ministries shall not exceed eighty per cent of the total of the budgets of the original two Ministries."

The staff members of the new ministries established as a result of the combination of two ministries, shall be only those of the original ministries. No appointment of new staff members is permitted, it was asserted. Old staff members of the amalgamated ministries with sufficient experience and ability, who failed to obtain new appointments are to be placed on a preferred list for future employment.

Said Step to Peace

While the Chinese press and official circles were silent regarding the current rushuffle of the Nanking regime, the **Sin Shun Pao**, semi-official Nanking mouthpiece, hailed the reorganization as a substantial step towards realizing and "extending" peace. Expressing absolute optimism in the future of Nanking, the journal asserted that the reformed government with its good personnel will "march triumphantly along the road of peace, reconstruction, and anti-Communism."

In an editorial entitled "'Eradication of Evils," which appeared on Aug. 17, the official Nanking organ, **Central Daily News**, made a vague reference to the "inherent weaknesses" of Chungking, including the separation of Party and people. Confident in the bright prospects of Nanking, the paper urged the wiping out of "evil habits that are haunting Chungking."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Typhoon Causes More Devastation in Japan

A violent typhoon sweeping across central Japan on the night of August 15 killed 16 persons and flooded more than 22,000 homes, according to reports from the Tokyo Home Ministry. Damage to rice crops caused by the storm is expected to be only slightly less than the great damage caused to the crops by June and July storms.

Hitting with great velocity, the typhoon smashed houses, washed away bridges and sank more than 40 fishing vessels while disrupting telephone, telegraph and railway services, according to **Domei.** Hardest hit was the Hyogo Prefecture, where Kobe is located. Reports state that eight persons were killed there and 15 missing, while 122 houses were demolished, and more than 13,000 homes innundated.

The same prefecture reported that 13 ships were damaged and 91 washed away from their moorings. Fifty vessels, including the 8,000-ton Ryujin Maru, loaded with coal, capsized.

Kochi, Kagawa, Tokushima, Kichi, Hyogo and Wakayama prefectures bore the brunt of the storm.

Denmark Gives Recognition To Nanking Government

Formal recognition of the Nanking government was accorded by the Nazi-controlled Danish government on Aug. 18, according to **Domei.** Denmark is the eleventh state that has recognized Nanking.

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Movements of Foreigners Restricted in Japan

Effective Aug. 15, the Japanese Home Ministry imposed additional restrictions on the entry, sojourn and departure of foreigners, **Domei** reported. Revised regulations provide, first, a ban on unauthorized departures from Japan; second, specification by prefectural governors of length and places of stay of foreigners not in possession of passports or certificates, or if their travel documents are "ambiguous;" thirdly, specification by prefectural governors of points of departure and routes to be followed; fourthly, restriction of transit visas and licenses to a single passage through Japan.

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Stabilization Board Supports the Fapi

In its first move to stabilize the foreign exchange market by bolstering the Chinese national currency, which has been further depreciated since the Anglo-American freezing order last month, the Chinese Currency Stabilization Board at Chungking fixed the new exchange rate at U.S. $5-11/32 or C.N.$18.82 for every U.S. dollar. Authorized Chinese and foreign banks will supply the foreign exchange requirements of all legitimate trade in accordance with the fixed rate, according to an announcement made in Chungking on Aug. 18 by Dr. T. F. Chiang, secretary-general to the Executive Yuan and spokesman for the Government.

A fifteen-man committee has been organized as an operative agency of the Board, with Dr. H. H. Kung, finance minister, as the chairman. The 15 members are: H. H. Kung, K. P. Chen, O. K. Yui, Jian. H. Chen, Pei Tsu-yee, T. M. Hsi, Wu Te-chen. Wang Shih-chieh, Hsu Kan, Chang Po-ling, Ho Yao-tsu, T. F. Chiang, Y. C. Koo, Li Yuan-nan, Kuo Chin-kun.

Control Body Set Up

Simultaneously inaugurated was the Standing Committee of the Foreign Exchange Control Committee, which includes Messrs. K. P. Chen, O. K. Yui, (vice-minister of finance), Jian H. Chen, (vice-governor of the Central Bank), T. M. Hsi, and Pei Tsu-yee. A plenary meeting of the F.E.C.C. will be held once a month, while a meeting of its standing committee will be held once a week, according to *Kuo Min*.

The notification issued by the Stabilization Board, quoted by *Kuo Min*, reads as follows:

"As from Monday, Aug. 18, 1941, the Stabilization Board will provide U.S. dollars at the rate of 5-11/32 cents for cash delivery to the banks licensed under U.S.A. Treasury Licences 59 and 61 against legitimate imports to China, provided such sales satisfy the requirements and conditions of U.S.A. General Licence 58.

Must Apply to Hongkong

"The banks referred to in Paragraph 1 who require such cover should make application to the temporary office of the Board at 104, 105, 106 H. & S. B. C. Building, Hongkong through their Hongkong office or agents and give a written undertaking to the board in the following terms: the bank or agent on behalf of the applicant undertakes to furnish the Board within two weeks with a duly executed application form in triplicate, and agrees to re-sell any exchange purchased from the Board which may subsequently be found to have been used for other than authorized imports as specified in Paragraph 1 or for goods found to be on the prohibited list published by the Chinese Maritime Customs on July 4, 1941, with subsequent additions and amendments.

"U.S. dollar cover will be provided through an applicant's branch or agent in Hongkong. Upon receipt of the Board's notification that an applicant's cover has been provided, the bank or agent shall then confirm to the Board in its usual form of confirmation to the effect that payment of the equivalent amount of 'fapi' has been effected by wire to the Shanghai offices of the National City Bank of New York or the Chase bank."

The Shanghai exchange market met with a tremendous surprise when the Hongkong and Shanghai Banking Corporation started quoting the American dollar almost C.N.$2.50 cheaper, and the pound sterling almost $10 cheaper than was paid under quotations prevailing half an hour before. In the afternoon the decision of the Stabilization Board became known.

Japan Has 100,000 Men in Indo-China

Between 80,000 and 100,000 Japanese troops, with equipment sufficient for 160,000, have arrived in French Indo-China while more are pouring in, according to statements in Singapore by some 30 British evacuees from Saigon, reported by **Reuter** on Aug. 17.

Japanese armed forces are entering the French colony in terms of an agreement reached at Vichy last month for "joint defense" of the territory by the French and Japanese. It was the signing of this agreement which led to Anglo-American freezing of Japanese assets as the first step in a comprehensive program of economic sanctions against the Island Empire.

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Menzies Warns Japan of War

A stern warning to Japan to keep her hands off Thailand, and Malaya, or face a clash with Australia, was voiced in the Australian Parliament by Mr. Robert Menzies, the Prime Minister, on Aug. 20, according to *United Press*.

Speaking in the House of Representatives, Mr. Menzies declared that Australia would not hesitate to fight Japan if Singapore were menaced. "I do not desire to say anything to impair the peace of the Pacific," he said, "but Australia regards Singapore and Malaya as the outposts of her defense. While peace-loving, we do not propose to abandon our defenses or to avoid any sacrifice which their maintenance may necessitate.

Mr. Menzies denounced Japan's occupation of Indo-China and Japan's reported threats against Thailand.

"It is Japan's acts which have created tension, and not ours, and if tension can be relieved, as I sincerely hope, Japan has the means of relief in her own hands," he said.

In a secret session before Parliament gathered to hear his speech, Mr. Menzies gave the members of the Lower House a confidential statement on the war position.

Embassy Status For Thai, Japan Legations

Indicative of the growing Japanese interest in Thailand was the action of Japan and Thailand, announced on Aug. 15, in raising their legations in each other's capitals to the status of embassies, effective the following day. The Japanese Cabinet Information Board declared that the step had been taken with a view to "enhancing the traditionally friendly relations between Japan and Thailand."

The Tokyo Foreign Office organ, **Japan Times & Advertiser**, said the move was a "happy omen of Pacific peace and prosperity," while the Tokyo **Miyako** expressed the opinion that Britain and the United States would fall into line and also raise their legations at Bangkok to the status of embassies.

Of possible significance in connection with the developments in Thai-Japanese relations was an announcement in Washington by Mr. Cordell Hull, U.S. Secretary of State, on Aug. 13, that Mr. Hugh Grant, American minister to Thailand, would shortly be returning to the United States following acceptance of his resignation, which was tendered last January.

That there is some mystery connected with Mr. Grant's resignation was shown by the fact that he cabled a newspaper in Birmingham, Alabama, declaring that he had been "railroaded" out of his post. "Interests hostile to the American government" were responsible for his removal, he charged, promising further disclosures when he reached Washington, according to **United Press**.

Mr. Grant was American minister to Albania up to the time that the country was taken over by Italy. From there he was sent to Bangkok. His successor is Willys R. Peck, former counsellor of the American embassy in Chungking.

Who's Who in China

Tschang Yi-tchou (Chang Yi-chu), journalist and government official; born in Liling, Hunan, 1886; studied political science and economics in Paris; resident representative in France

Tchang Yi-tchou
(Chang Yi-chu)
張翼樞

of the Provisional President of China, Dr. Sun Yat-sen, 1911-12; special commissioner of foreign affairs for Yunnan province and concurrently Taoping (Circuit Magistrate) of the Teng-Yueh Circuit of Yunnan, 1912-17; Chinese manager, Far Eastern Bureau, **Havas News Agency**, 1931-40; special representative of **Havas** in Chungking, 1940-41; now honorary Chinese manager of the same agency; members of People's Political Council, Chungking, and member of the Administrative Committee of the Second Special District of Shanghai. Address: People's Political Council, Chungking.

Jewish Emigres Used to Break Sassoon Strike

A strike on August 18 of 3,000 hotel workers in the Sassoon-owned hotels in Shanghai was broken the next day by the use of Jewish emigre strike-breakers.

Employees of Hamilton House, Cathay Hotel, Metropole Hotel, and Cathay Mansions all went on a protest strike over the arrest of 12 senior Chinese employees by the French Municipal Police. The men are reported to have been arrested because they belonged to the Nanking-sponsored hotel workers' union.

The management of the hotels immediately took a firm stand and announced that they regarded the move as a desire on the part of the workers to quit. Consequently 400 German-Jewish emigres were given full-time jobs to replace the striking Chinese. Following this stringent measure, most of the employees gave up the strike and returned to work.

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PEOPLE IN THE NEWS

Dr. Tokutaro Kubo, President of St. Luke's International Medical Center at Tokyo, died of blood poisoning on Aug. 16, at the age of 78.

•

O. G. Steen, Vice-President of American President Lines, returned to Manila this week following a brief business visit to Shanghai.

•

J. V. Crowe, manager of Ford Motor Company, Exports, Inc., who has been on a trip to Japan, Netherlands Indies, and Singapore, is now in Manila and will return to Shanghai shortly.

•

Dennis McEvoy, correspondent for **Chicago Times**, arrived in Chungking from Hongkong on Aug. 17 and is scheduled to fly to Russia by way of Sinkiang and Alma Ata.

•

Armand de Lille, who was previously connected with the Texas Company in Indo-China, arrived in Shanghai this week on his way to the United States.

•

H. J. Timperley, former correspondent in China for **Manchester Guardian**, and now adviser to the Central Publicity Board at Chungking, arrived in Singapore on Aug. 7, en route to London.

•

Arthur Menken, Paramount newsreel cameraman arrived in Chungking on Aug. 7 and after spending some time there planned to proceed to Rangoon, Batavia and Australia.

•

James Burke, son of the Rev. W. B. Burke of Sungkiang, returned to the United States on the President Coolidge last week. Mr. Burke came to China several months ago for the purpose of collecting material for a book dealing with his father's life.

•

Huang Yen-pei, secretary-general of the committee having charge of the sale of war bonds at Chungking, departed for Manila on Aug. 18 for the purpose of assisting the Chinese committee in that city in the organization of a drive for sale of Chinese war bonds in the Philippines.

•

The Vichy Government announced on August 16 that Lieut.-Commander Duvivier, long connected with Admiral Francois Darlan, had been appointed Under-Secretary for Information and Propaganda and would have charge of all press and publicity matters for the Vichy regime.

•

Dr. Jose Manuel Cortina, Secretary of State of Cuba, notified the German Consul at Santiago de Cuba, that evidence had been discovered proving the complicity of the Reich Consul in activities "directed against the security of Cuba, hence he was no longer considered persona grata and would have to leave the country."

•

The Japanese Ministry of Education announced on Aug. 18 that eight well known Japanese professors were being sent to China for the purpose of investigating special phases of Chinese social and industrial conditions. The professors named were Akira Waguri, Kakei Yamazaki, Hajime Yoshii, Yozuru Okuda, Kazuo Ando, Hidenosuke Mikumo, of Kyushu Imperial University; Dr. Kohei Furuyano of Nagasaki Medical College; Yoshisaku Kato, Tokyo University. Subjects scheduled for investigation include the machine industry, cotton and tobacco culture, soya bean oil and other liquid fuels, mining development, wartime marine insurance practices at Shanghai.

Lieut. James Wilson, U.S. reserve officer, who has been connected with a leading trucking corporation in New York, arrived in Chungking on August 7, and will be connected with the office of the American Military Attache in that city. Lieut. Wilson will have his headquarters in Kunming and will observe conditions along the Burma road.

•

M. E. Meunier, manager of the Shanghai branch of the Banque Franco-Chinoise, departed from Shanghai last week on his way to South America where he plans to reside in future. Mr. Meunier, after serving in World War I, came to China and first was connected with the Banque Industrielle de Chine. He was active in the affairs of the local French Concession.

•

H. Lawrence Groves, recently appointed U.S. Commercial Attache to China, in succession to Dr. Julean Arnold, who resigned last year, arrived in Shanghai last week aboard the President Coolidge. Mr. Groves is a native of Pennsylvania and previously has been stationed in France, Switzerland, Germany, Austria, Czechoslovakia, Greece and Balkan countries.

•

Arthur Peter Hovenier, British Flying Officer, reported missing and now presumed killed in action, was a former resident of Shanghai, where he attended the Cathedral School. Later he returned to England and entered Tonbridge. He was the only son of H. A. Hovenier of Crosby, England and Mme. G. W. Boissevain of Shanghai and was born in January, 1914. He was granted a Commission in the R. A. F. in April 1939, and was awarded the Cup of Honor.

•

Four American young ladies, who had served as entertainers at cafes in Colon, Panama Canal Zone, arrived in New York on August 14, and told the newspapers that there were 565 men to every woman in the Canal Zone. They said that most of the men wanted to get married, hence urged young women who wished to get married to hurry to Panama. The young ladies—Jean Turner, Doris Milo, Sue Allen and Nadine Page—did not state why they did not remain and take advantage of the opportunities they described.

•

S. Y. Wong, Secretary of the Chinese Consulate at Honolulu, stated on August 15 that 80 men in Honolulu had registered at the Consulate as truck drivers for service on the Burma road. Mr. Wong said that he was awaiting instructions from the Chinese Government regarding transportation of the men to China. Mr. Wong also stated that some 300 aviators and mechanics also had registered for service in China. He said that the U.S. Army authorities had granted permission for Army flyers to proceed to China for volunteer service, but so far as he knew none had thus far departed.

•

The General Committee of the British Residents Association of Shanghai, at a meeting held on August 14, approved a proposal for the formation here of a "9:15 Club," which is being formed for the purpose of showing moving pictures which have been banned by the local police censorship board. The "9:15 Club" has leased the former dining room in the Cathay Hotel, which is being furnished for the display of pictures. The Committee of the B. R. A. also urged its members to support the magazine **Argus**, a pictorial journal, which recently was started by the local British propaganda committee.

Gen. Franco, dictator of Spain, has announced his intention of appointing Signor Alvaro de Maldonade as his Minister to the Nanking Government, according to **Central Press** report from Nanking on Aug. 13.

•

Chen Ta-kuei, vice-chairman of the Nanking Central Reserve Bank, arrived in Japan on August 19 for the purpose of conferring with Tokyo officialdom concerning the situation which has developed since the enforcement of the freezing regulations.

•

Mrs. Alice Frame, who served for 35 years as a member of the American Board Mission in north China, died on August 15 at Newton, Massachusetts. Mrs. Frame returned to the United States last March.

•

J. H. Le Rougetel, who has been Counsellor of the British Embassy, arrived in Shanghai last week from Chungking. He will succeed Mr. P. M. Broadmead. Mr. Le Rougetel once served in the British Embassy in Tokyo and in 1925-1926 was connected with the China Tariff Conference. He came to the Far East from Bucharest.

•

Eiji Amau, new Vice-Ministar of Foreign Affairs at Tokyo, has been appointed a member of the China Hostilities Damage Investigation Commission, according to report of the Foreign Office on Tuesday of this week. The report failed to state whether Mr. Amau's commission was investigating the damage **suffered by the Japanese**, or the damage **caused by the Japanese** in the present conflict.

•

The Japanese Foreign Office announced on August 19 that three new first secretaries are being dispatched to Washington for service in the Japanese Embassy in the American capital city. They are Koto Matsudaira, Hidenari Terazaki and Katuzo Okumura. The Japanese also announced the appointment of Akira Oe as First Secretary of the Japanese Embassy in Manchukuo.

•

The authorities at Chungking have banned the further circulation of a Chinese translation of John Gunther's popular book, "Inside Asia," because of strong opposition to certain passages in the second volume referring to the activities of Chinese Mohammedans in the northwest provinces. The report stated the ban only affects the second volume, which contains six parapraghs referring to the Mohammedans.

•

Hsu Mo, former Counsellor of the Chinese Foreign Ministry, who was recently appointed Minister to Australia, arrived in Hongkong on August 19, en route to Canberra. He was accompanied by Hu Cheng-yu, who will occupy the post of First Secretary, and Cheng Kang-chi, who will serve as Second Secretary in the new Legation. It is not known when the new Australian Minister, Sir Frederick Eggleston, will arrive in Chungking.

•

The Germans have appointed Baron von Plessen as Counsellor of the German Legation at Bangkok, according to **Transocean** message from Hanoi on Aug. 14. Baron von Pleassen, formerly stationed in the Netherlands Indies, was on the staff of the German Embassy at Chungking, prior to the Nazi recognition of the Nanking puppet regime. The Baron, following his departure from China, went to Indo-China, where he was welcomed personally by Admiral Jean Decoux, Governor-General, and other officials of the former French colony. According to the **Transocean** report the Nazi consular and diplomatic officials were highly pleased at the most cordial treatment accorded them by the officials of Indo-China.

Archibald T. Steele, correspondent for **Chicago Daily News**, arrived in Moscow on Aug. 19, according to a telegram received by Mrs. Steele in Shanghai. Mr. Steele flew to Russia by way of Sinkiang and arrived in Alma Ata two weeks ago. As he apparently was delayed in reaching Moscow, the report was circulated in a **Domei** dispatch from Hongkong that the plane in which he was traveling from Alma Ata to Moscow had been wrecked.

*

Dr. Toyohiko Kagawa, widely-known Japanese evangelist, who was sent to the United States several months ago to conduct a lecture tour, returned to Japan on the Tatuta Maru on August 18. He said that he had lectured 300 times before American audiences and delivered 30 radio broadcasts. He also attended conferences at Riverside, Cal., and at Chicago, where resolutions were adopted advocating peace between Japan and United States. He said that there was strong opposition among religious groups in the United States to America's entry into the war.

*

William H. Taylor, member of the Chinese Currency Stabilization Committee, returned to Shanghai last week for a further study of the exchange and business situation in this city. Prior to coming to the Far East Mr. Taylor was chief economist with the U. S. Treasury Division of Monetary Research. He is a graduate of the University of California and taught for a time at the University of Hawaii. He then traveled extensively in Europe, following which he returned to the United States and joined the Treasury Department. Mr. Taylor accompanied Mr. A. Manuel Fox, chief of the Stabilization Committee, to Shanghai in July, following which they returned to Chungking.

*

Yukichi Hayashi, former chairman of the Japanese Residents Corporation, who attempted to murder W. J. Keswick, British chairman of the Shanghai Municipal Council, at the annual meeting of ratepayers on Jan. 23, received a sentence of one year at hard labor following a trial at Nagasaki before Judge Nagashi Shiraishi on August 19, according to **Domei** report. However, Mr. Hayashi's sentence was suspended for one year and he was released. In the trial in the lower caurt, Mr. Hayashi received a sentence of two years—with a five year stay of execution. The **Domei** report failed to state whether Mr. Hayashi would return to Shanghai.

*

Major-General Liu Teh-ming of Chungking, in an interview with A. T. Steele, correspondent of **Chicago Daily News**, said he was sent to Shanghai to investigate conditions prevailing in the administration of Wang Ching-wei. He was kidnapped and taken to No. 76 Jessfield Road, hang-out of Nanking political gangsters and headquarters of the notorious Special Service Section of the Japanese Army. Those whom Nanking, or the Japanese Empire has reason to fear or dislike, are taken to No. 76. Gen. Liu said he was kept in the place all night while strong-arm men beat him about the head and lashed him fifty times with a whip. Next he was forced to lie flat on his back and water was poured into his nostrils. Then he was strapped in a "tiger's chair" and bricks were placed under his feet one by one until the agony became so great that he finally fainted, only to be brought back to consciousness by an electric current, which was gradually stepped up until his body "trembled like jelly." According to the story told Mr. Steele (reprinted in July 21, **Time**), Gen Liu still refused to talk, so the Japanese sent him to Nanking. He escaped from a Nanking train and by devious routes managed to reach Chungking, where he told his story to Mr. Steele.

Vice-Admiral Jiro Araki, member of the board of directors of the Japan Iron Works, is to be made president of the Northern Saghalien Petroleum Company in succession to Vice-Admiral Seizo Sakonji, who is now miniister of commerce and industry, the Shanghai **Mainichi** reported this week.

*

Mrs. V. Baranoff, Russian emigre, brought a charge of theft against her husband in the First Special District Court on August 14. She charged that he had stolen various articles from their home, including a $30 suitcase, and had used the mony to purchase heroin from Japanese and Korean dope dealers. Mrs. Baranoff declared that her husband remained away from home most of the time and refused to support her or their children. The French authorities on August 14 raided a house at 210 Rue Maresca, where an explosion had occurred, and found that a Korean had been operating a heroin factory on the premises. The Korean apparently had been warned and escaped.

*

Daniel Arnstein, American highway expert, who made a survey of the Burma road, said that the carrying capacity of the highway was greatly in excess of the estimated 34,000 tons monthly. Mr. Arnstein was assisted in making his survey by two other experts, Harold Davis and Marco Hellman. Their report to Gen. Chiang Kai-shek stated that 50 American experts, chiefly mechanics and dispatchers, were on their way to Chungking and would be employed on the road shortly. Mr. Arnstein's proposals call for a greatly increased traffic load as well as the asphalting of the road, which is said to be well advanced. The report also stated that between 6,000 and 7,000 American trucks would be in service on the road by the end of the year.

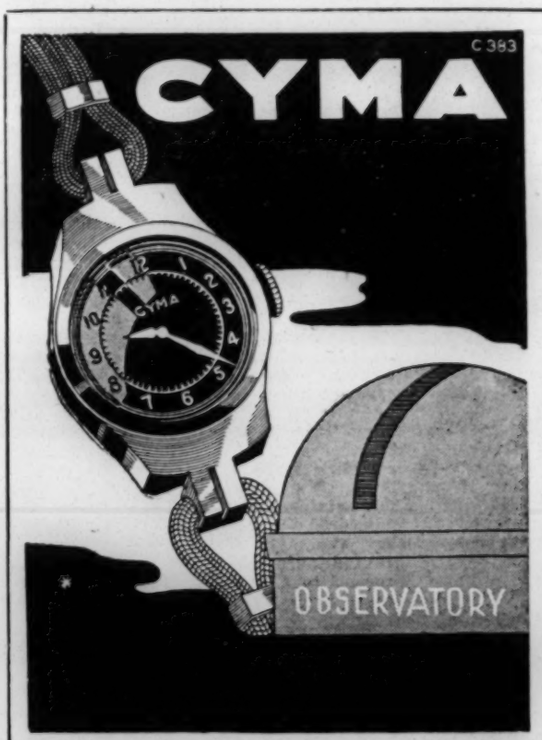
Mr. Chang Chung, member of the C.E.C. of the Kuomintang and acting director of the Central Party Organization Department, died in Chungking on Aug. 11 after a long illness.

*

Dr. Kumataro Honda, Japanese Ambassador to Nanking, arrived in Shanghai on Wednesday, en route to his post. When the second Konoye Cabinet collapsed recently, Dr. Honda resigned his post as envoy to Nanking, but was induced to accept the post again.

*

Dr. Go Tui, native of Amoy, who received his medical education at the University of the Philippines, and at present is head of the Laboratory of Experimental Surgery of New York University, has been appointed medical adviser to the China Defense Supply Commission, on a government-sponsored project. His work will consist in coordinating all requests for medical supplies from China received by the American Red Cross and United China Relief, in connection with the drive now being conducted in the United States for US$5,000,000 for relief of war victims in China. Under the new plan the American Red Cross will have charge of transport of medical supplies from the United States to China, including transport from Rangoon to Kunming and Chungking. The American Board for Medical Aid to China will have charge of personnel, recruiting of Chinese doctors, equipment of emergency training centers for medical aides. The organization also will cooperate with the China National Health Administration in anti-epidemic service. The members of the China Defense Supply Commission with which Dr. Go Tui is connected, include T. V. Soong, chairman; David M. Corcoran, president; Laurence Morris, vice-president; Harry Price, treasurer, and Frederick Delano.



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EVENTS IN BRIEF

The North China Political Commission, which administers north China on behalf of the Japanese Army, announced a 50% increase in the tax on tobacco and cigarettes, effective on August 18.

•

Chinese residents of Burma have purchased 150 trucks, which have been presented to the Central Government for use in transportation of merchandise on the Burma road, according to **Kuomin** dispatch from Chungking on Aug. 7.

•

The Japanese authorities announced on Aug. 11 that 1,000 Polish refugees, who have resided in Japan for many months, must leave the country before Sept. 15. New residential permits will be refused after that date, stated the report.

•

Seven Chinese scientists, who are specialists in astronomy, arrived in Lanchow, capital of Kansu, en route to Lintao, south of Lanchow, to establish headquarters and set up instruments for observing and studying the total eclipse of the sun on Sept. 21. The group was sent to Kansu by the Astronomical Research Institute of Academia Sinica.

•

The Yunnan Provincial Government has appointed Miu Yun-tai chairman of a committee which will pass on the qualifications of Chinese students who will be dispatched to the United States by the provincial authorities. The committee will be composed of Kung Tzu-chih, Lu Tzu-an, Chang Hsi-lin, Ting Yu-chiu, Li Pei-tzu and Yuan Pei-yu.

•

The China Customs Research Institute at Peiping has petitioned Wang Ching-wei to ban the use of the English language in all customs publications and announcements. Japanese consular police in Tsingtao have ordered all tea shops, cafes, cabarets and similar establishments to remove all English inscriptions from shop sign-boards and show-windows.

•

The Japan Iron Manufacturing Company, which is a government monopoly, has announced its intention of investing the sum of Y.700,000 in the Chinese Shih Ching-shan Iron Manufacturing Company in Peiping, for the purchase of new equipment. It was hoped to increase pig-iron output 20%. The Shih Ching-shan Company was the property of the Chinese Government prior to the Japanese occupation.

•

The Ford Motor Car Company of Malaya, subsidiary of the American Ford Company, has completed a US$1,000,000 plant at Singapore, which will be devoted chiefly to the construction of trucks for military purposes. The plant is equipped to turn out 40 vehicles daily, which can be greatly increased in an emergency. The plant recently was inspected by Sir Robert Brooke-Popham, Commander-in-Chief of British forces in the Far East.

•

A Japanese Naval Mission, which was in Germany and was prevented from returning home by the outbreak of Russo-German hostilities, arrived in Madrid on Aug. 18, on its way back to Japan. A Military Mission which was in Germany at the same time had started home a few days prior to the outbreak of hostilities and managed to cross Siberia, although several Germans who were travelling with the Japanese Mission were detained by the Soviet authorities.

The Peiping municipal administration has initiated a so-called "frugality movement," which started out with a ban on private entertainments, dinner parties and wine drinking in association with harlots, according to **Havas** message on Aug. 7. The Mayor of Peiping, Mr. Yu Chih-ho, announced that persons celebrating weddings or funerals would be restricted to "ordinary luncheons" instead of the customary feasts for large numbers of relatives and neighbors. The Mayor said that the frugality movement had been launched for the "intensification of the new order in East Asia."

•

The National Government issued a mandate late in July prohibiting citizens of China from using "multiple" names. The purpose of the order is to prevent fraudulent practices, stated the report. The report from Chungking said it had long been a practice for people to use various names, but since this had led to complications over the ownership of property, evasion of taxation and other difficulties, it had been decided to prohibit the practice. In future, if persons wish to use courtesy names or aliases, they must also identify themselves by using their correct names.

•

While local officials of American President Lines, owners and operators of American passenger and cargo ships in Trans-Pacific service, have denied reports that the Far Eastern headquarters are to be removed to Manila from Shanghai, indications point to the fact that the office here is to be greatly reduced in both personnel and activity. O. G. Steen, Vice-President, who was in Shanghai this week, is now spending most of his time in Manila. The company also has made a drastic cut in advertisements appearing in local journals, due to curtailment of service. A full-page advertisement which has appeared in **The China Weekly Review** for many years, was cancelled this week, pending a resumption of normal schedules. Advertisements in the daily papers, however, will be continued for the present. The office at Kobe was closed on Aug. 16 due to suspension of service to Japanese ports and according to reports in Japan the President ships may also cease calling at Shanghai shortly. The Canadian Pacific Steamship Company, which has withdrawn its ships from the Pacific, will also close its Kobe office shortly, according to the report.

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The U. S. Treasury has authorized the thawing of European, Japanese and Chinese funds necessary to pay for subscriptions to American newspapers and magazines, it was announced last week. The sums available to a single person or institution for this purpose may not exceed $25 per month or $100 per year.

•

American and British motion pictures have been banned from Korea as from Sept. 1, according to a **Transocean** report from Tokyo. The step is due to freezing of Japanese assets in the United States and British Empire, and is expected to be taken in Japan as well.

•

The firm of S. Moutrie and Company, Ltd., manufacturers of pianos and organs and dealers in musical instruments, cleared a profit of CN$328,238.53, largest in the firm's long history, according to report at the recent annual meeting. Dr. W. J. Isenman, chairman, in presenting the report said that the "period of severe price inflation, due to the depreciated value of the Chinese dollar, had been responsible for a wave of prosperity, which may prove to be more imaginary than real." The shareholders approved the following appropriations:

Pay a dividend of 20 per cent	$99,700.00
Place to general reserve	50,000.00
Place to stocks reserve	35,000.00
Place to branches reserve ..	50,000.00
Place to building reserve ..	20,000.00
Place to equalization of dividend reserve	50,000.00
Place to advertising reserve ..	5,000.00
Donate to Voluntary War Contribution fund	7,500.00
Carry forward to new account	44,318.39
	$361,518.39

Direct international radio telephone service between Osaka and Saigon was resumed on Aug. 21. Only the Japanese and French languages will be permitted in conversations. The toll charge is Yen 36 for three minutes.

•

The Japanese Government has prohibited the operation of gasoline-burning buses, taxis and private cars, effective Sept. 1, **Domei** reports from Tokyo. But routes which parallel street-car lines are to be eliminated, also all taxi stands at railroad stations. These measures are being taken to conserve gasoline stocks.

•

All Jews in French Morocco who moved into the "European" quarters of the various cities since the outbreak of the war in September, 1939 are to return to the ghettoes, says a decree issued by General Nogues, French resident-general of the north African colony.

•

British aviation authorities are investigating the possibility of sabotage in connection with the disastrous crash of an Atlantic ferry plane which on Aug. 14 caused the death of Mr. Arthur Purvis, head of the British Purchasing Commission in the United States, and 21 others. It was the second such disaster within a period of five days. Witnesses of the crash said that the craft was unable to rise from the runway on the field from which it was taking off somewhere in England. It then hit a piece of high ground and bounced across a road into a field where it exploded and burst into flames. In the previous disaster, which occurred on Aug. 10, 22 persons died in a ferry craft crack-up. Among the dead were seven American and Canadian ferry pilots.

The new edition of Lloyd's Shipping Register will be delayed three months as accurate figures of tonnage now afloat are difficult to compile due to the rapid sinking of vessels. The volume will not appear until October, states a London report.

•

Five new officers, who recently arrived in Shanghai, have joined the staff of the U.S. Fourth Marines. They are Lieut.-Col. Curtis T. Beecher, who will command the First Battalion; Com. Maurice Joses, Regimental Surgeon; and Captains John J. Heil, James V. Bradley, and F. H. Williams. Lieut-Col. Beecher served in the first World War and was wounded, later served in the army of occupation. He joined the Marines in 1917. After service in Haiti, he came to the Far East (1927-1929) and was stationed in the Philippines and at Shanghai, later returning to duty in U.S.A. Commander Joses came to Shanghai from Manila. He is a graduate of the University of California Medical School and also served in World War I. He served at various stations on the Pacific Coast and was stationed at Guam for two years. Capt. Heil, who will serve as executive officer of the Second Battalion, previously was instructor in Naval Ordnance and Gunnery at the Naval Academy. He also had service at various U.S. posts and at Haiti. Capt. Bardley, who also arrived last week, will be connected with the Second Battalion. He saw duty in Cuba and other posts and was stationed for a time on the U.S.S. Mississippi. Capt. Williams, who will be in the Quartermasters' Section, is on his first tour of duty in Shanghai. He carries the Marine Corps Expeditionary Medal for service in Nicaragua and Haiti.

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New Books of Interest in the Far East

Monetary Progress

CHINA'S CURRENCY REFORM: A Historical Survey—By L. Y. Shen. Published by the Mercury Press, Shanghai, 1941. xiv + 184 pages. Illustrated. Price, C$30.00.

Anyone interested in the intricate yet fascinating subject of Chinese currency will find in the book under review a good deal of useful information. The author modestly states in the preface that "this little volume does not claim to be an exhaustive study of the Chinese currency situation; it is merely a short story of China's monetary progress simply and concisely told within two covers of a book." Yet Profesor Shen succeeds in giving his readers the highlights of Chinese monetary history, recording the important mile-stones of currency reform through the past 40 centuries.

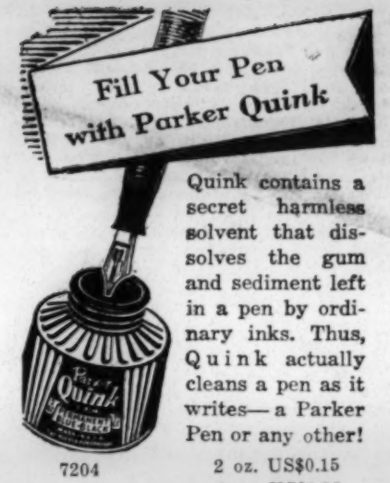
It is quite natural that this book is highly recommended by Mr. E. Kann, a recognized authority on Chinese currency and finance, whose books and articles on these subjects are widely read both in their original and translated forms by foreign as well as Chinese readers. In his foreword Mr. Kann says: "The story of the change, the factors leading up to the break with the past as well as the career of the new currency, have not yet been told coherently. It is the endeavor and aim of Mr. L. Y. Shen to present a concise story of the great change on record.... The value of this work is undoubted... this book forms a valuable addition to the literature on China's notable achievements in the realm of currency and finance."

The story of China's currency reform was told up to the outbreak of the Sino-Japanese hostilities, culminating in the introduction and enforcement of the Legal Tender Policy. Perhaps the author has chosen the wise course of study by confining his attention to monetary conditions in peace time, emphasizing the smooth working and successful operation of the Curency Decree since November 4, 1935. As it is, the book possesses a permanent value for reference purposes. It will not need any revision to bring facts up to date, since pre-war monetary conditions constitute **per se** a significant period of Chinese monetary history. The present reviewer is inclined to agree with what the author says in his preface: "Inasmuch as the outbreak of the Sino-Japanese hostilities nearly four years ago had ushered in a new period in our financial chronicle, China's currency problem in war time may be more profitably discussed in a separate treatise at the close of current hostilities. My present attempt may serve the purpose of painting a background for the study of new measures of currency regulation and exchange control in war time." This reviewer is impatiently looking forward to the early fulfilment of his wish and materialization of his plan.

In Part One the reader gets "a bird's eye view" of China's repeated efforts to reform her currency. Part Two gives a detailed study of "currency reform step by step." While the history of Chinese currency dates back many centuries, China's real effort was first made after the inauguration of the National Government in 1927. The initial achievement took place in April, 1933 when the hoary "tael" was abolished as a monetary unit. The next important achievement was the introduction of fiduciary currency under the Currency Decree of November 3, 1935. The success of China's currency reform may be regarded as the result of abandoning the use of silver, thus liberating the country and the people from the disastrous consequences of falling or rising silver value in the world silver market. The timely introduction of a fiduciary currency has been a real blessing to China at war. Had the country remained on a metallic basis, it would have spelled serious disaster to our currency and exchange, and even threatened economic ruin and national bankruptcy soon after the war started. The concrete results of the New Monetary Policy, discussed in detail in Chapters II, III and IX, clearly show the wisdom and foresight of the Chinese monetary authorities. Likewise, they tend to reflect the ravages of Japan's currency war as a part of her economic offensive against China during the last four years.

The author has painstakingly translated and compiled a number of official documents in connection with various measures of currency reform in China. Similarly, the statistical tables represent a rare collection of original information with a direct bearing on the Chinese currency. Both these kinds of supporting data are highly valuable and no less important than the text of the book. Such research work is readily appreciated by the student of Chinese currency problems.

The publishers should be congratulated for producing a book of excellent



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craftsmanship. Set in type pleasing to the eye, the book is artistically illustrated with five full-size pictures of Chinese currencies, including the ancient spade money and the modern bank notes. Printed on high quality paper, the volume is expensively bound, greatly enhancing the outside appearance as well as the inside value of the book.

All in all, this reviewer recommends the book to everyone interested in China's currency reform. It ought to have a place on the book-shelf of every student of Chinese currency and finance.

S. P. CHANG

Rebel Girl of Nippon

RESTLESS WAVE—By Haru Matsui. Modern Age Books, New York, 246 pages; Price, US$2.50.

Courageously outspoken in her criticism of the Japanese military faction which has been controlling the destinies of the Island Empire since the invasion of Manchuria in 1931, Haru Matsui, by the publication of "Restless Wave," has exiled herself from her homeland until its career of conquest will have passed and freedom of speech and thought will have been restored to its people.

"Restless Wave" is an autobiographical work of great beauty which spans the author's life from early childhood to the present. Daughter of a Tokyo college professor, she was born during the last stage of the Meiji era. Despite a conventional Japanese upbringing, the young Haru had the advantage of as liberal an education as Japan affords to girl students. But unlike her conventional elder sister who enjoyed the same educational advantages, Haru had a questing mind. She was unable to accept as unavoidable the wretched condition of Tokyo's slum dwellers, the semi-slavery of the capital's girl factory workers. While still in her early teens, she spent a night in jail because of her association with a discussion group which came under the baleful eye of the police as a propagator of "dangerous" thoughts. Describing her night's confinement, she does not hesitate to mention the agonizing cries of a 13-year-old boy whom the police were attempting to torture into confessing a suspected theft.

The author was not in Japan at the outbreak of the Manchurian hostilities. She had accompanied her aunt and uncle in 1940 to the United States, where she has resided since. She has married, against the wishes of her father, her "own-choice" husband, Eitaro Ishigaki, a well known Japanese artist who shares her liberal views.

Bitterly opposed to Japan's military aggressions of the past decade, she describes in a chapter entitled "A Soldier's Notebook," how Japanese soldiers were ordered to charge with fixed bayonets upon Chinese captives to make them unafraid of killing. "I could see the Chinese soldiers kneeling, with their hands and legs tied," she writes, and continues: "I could see the upslanting eyes, strained lips, and twisted faces of the Japanese soldiers charging with bayonetted guns. The soldiers watching the proceedings were soulless like shells of men. In the beginning, the charging soldiers and the watching soldiers were ordinary human beings, with gentle minds. Those minds would have been tortured in bright sunray of white day and in darkness of night by the blood-stained faces of the Chinese captives at the ends of bayonet points. But when gentleness was condemned as cowardice and femininity, when cruel violence was exalted as strength and valor, when massacre was made their duty as soldiers—then these soldiers extinguished their human minds and threw away their souls."

During the months of the present hostilities in China, Haru Matsui has been lecturing throughout the United States on behalf of China's war-stricken people. But despite her hatred of Japanese militarism, of Japanese factory conditions, and other forms of social injustice, the author remains passionately Japanese. The book, which is written originally in English, closes with an epilogue containing this moving passage:

"I know that because of my stand it will be impossible for me to go back soon to Japan. But still I cannot be silent; I cannot betray humanity and my people. In thought, even now, I return to Japan. When I see the blue of the ocean, I am sad, remembering my country. I envy the birds of passage and in my mind fly with them over the wide Pacific. In the luminous circle of the moon I seek the reflection of my native land. When spring comes in America, I see white cherry-blossom petals drifting into the cool pool of the garden where I played as a child. My country lives in my heart.

"But I am not travelling alone, searching for a dream in darkness. Around me there are many people moving in a single tide, their warm hands clasping mine. And I know the time will come when the voice of my people, like silent buds growing unseen under snow, will burst forth gloriously, in triumphant, unconquerable spring."

S. B.

Malaya and Burma Prepare for War

Strong reinforcements of men and materials landed in Singapore recently as Britain prepared to call Japan's bluff in the Orient, an official communique from Singapore announced on August 15.

The reinforcements, arriving in the largest single convoy to reach Malaya since the outbreak of the European War, comprised all services, including air force personnel, infantry, artillery, service corps, engineering corps and field ambulance units. Most of the soldiers were from Australia and according to a **United Press** report numbered "several thousands." The convoy was said to be the third to transport British Empire forces to Malaya within the last two weeks.

Although the reinforcements brought some equipment, most of it preceded them, including Bren-gun carriers, anti-tank guns and motor transports.

The new contingent was greeted by Air-Marshal Sir Robert Brooke-Popham, Commander-in-Chief of the British Far Eastern Forces, and Major-General H. Gordon Bennett, commander of Australian troops in Malaya. The troops, according to the official announcement, are a token of "Australia's determination to treat Singapore as a first line of defense and a warning that Britain and Australia are Pacific allies committed to the inflexible policy of resisting any attempt on the part of any power to interfere with the freedom of people living in this area."

Burma Ready Too

Burma as well as Malaya is grimly preparing to meet Japan's threat to Far Eastern security, a **Reuter** report from Rangoon states. The Burmese are said to be willing to defend their sovereignty "to the last man," although they have not known war for 63 years.

A step in speeding up air-raid precautions in Burma is the planned sending of an A.R.P. officer, a medical officer, and a police official to Chungking to study actual bombing conditions. As at present arranged, the three officers will stay in Chungking for a week.

American-built airplanes are now patrolling the Pacific and Indian oceans from the Arabian Sea to well south of the equator and from the China Seas to Africa, according to a London Air Ministry report carried by **Reuter**.

Operating from bases in Malaya and Ceylon, the planes have flown on patrol about 150,000 miles. They keep a ceaseless watch for enemy raiders and submarines and have been credited with bringing a decline of Axis activity in Pacific and Indian waters.

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